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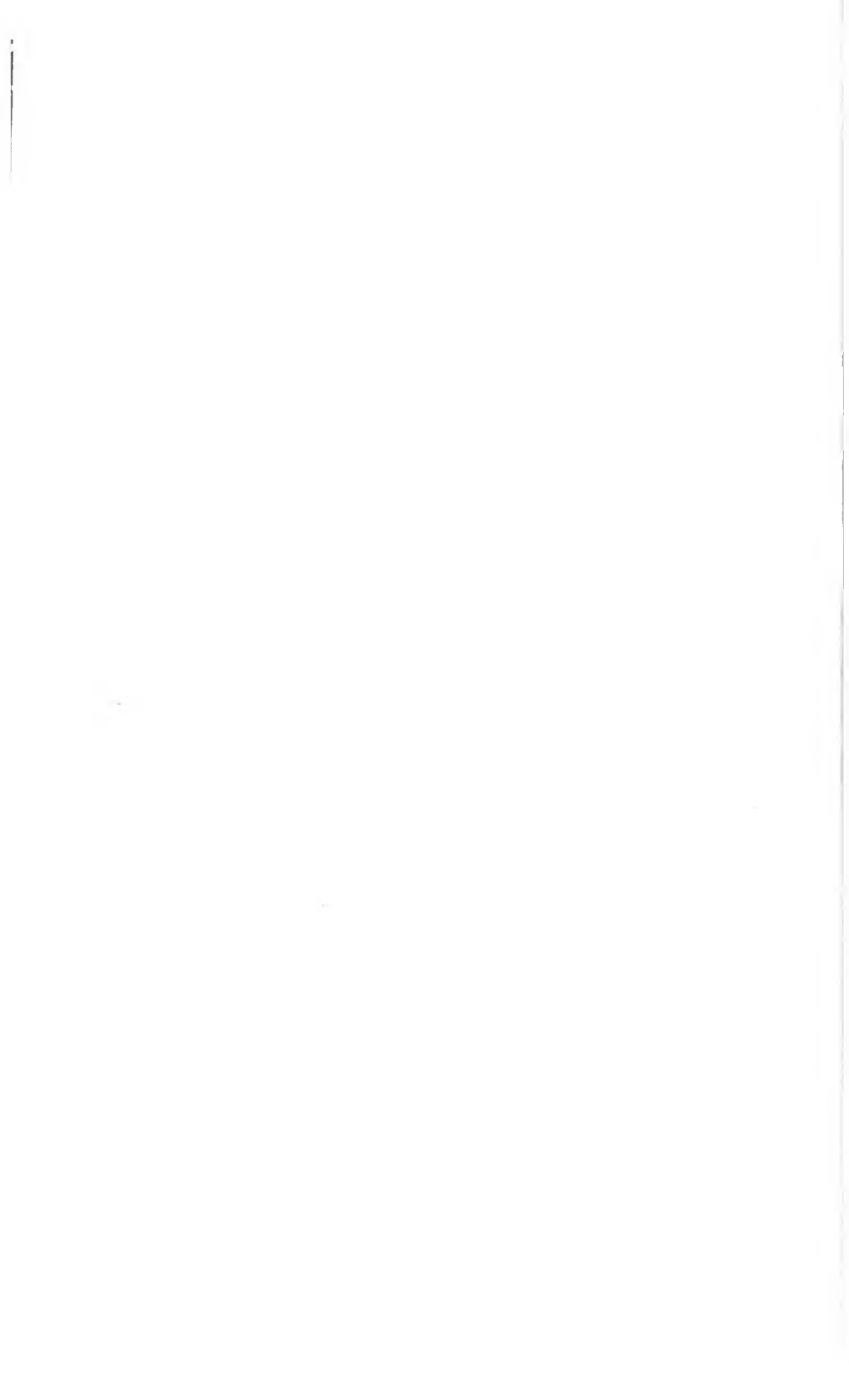
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Commerce. Subcommittee on Transportation and Aeronautics.

HAWAII AND WESTERN ISLANDS SURFACE COMMERCE PROTECTION ACT

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
TRANSPORTATION AND AERONAUTICS

OF THE

COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST AND SECOND SESSION

ON

H.R. 7189

A BILL TO AMEND TITLE II OF THE RAILWAY LABOR
ACT TO PROVIDE FOR THE NORMAL FLOW OF OCEAN
COMMERCE BETWEEN HAWAII, GUAM, AMERICAN SAMOA,
OR THE TRUST TERRITORY OF THE PACIFIC ISLANDS
AND THE WEST COAST, AND FOR OTHER PURPOSES

JUNE 5, 1973 AND SEPTEMBER 27, 1974

Serial No. 93-88

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HAWAII AND WESTERN ISLANDS SURFACE COMMERCE PROTECTION ACT

TUESDAY, JUNE 5, 1973

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF TRANSPORTATION AND AERONAUTICS,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. John Jarman [chairman] presiding.

Mr. JARMAN. The subcommittee will please be in order. This morning we will commence a hearing on H.R. 7189 which would amend the Railway Labor Act to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast.

This legislation was introduced by our colleague, the Honorable Spark M. Matsunaga, a Member of Congress from Hawaii, and I understand it was co-sponsored by the Honorable Patsy Mink of Hawaii and the Honorable A. B. Won Pat, the delegate to Congress from Guam.

We will be pleased to hear their testimony on this bill, and I understand that other officials from the Pacific area are also with us.

At this point in the record, without objection, we will place the text of the bill, H.R. 7189.

[The text of H.R. 7189 follows:]

(1)

H. R. 7189

IN THE HOUSE OF REPRESENTATIVES

APRIL 18, 1973

Mr. MATSUNAGA (for himself, Mrs. MINK, and Mr. WON PAT) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend title II of the Railway Labor Act to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Hawaii and Western
4 Islands Surface Commerce Protection Act of 1973".

5 SEC. 2. Title II of the Railway Labor Act (45 U.S.C.
6 181-188) is amended by adding at the end thereof the fol-
7 lowing:

8 "SEC. 209. (a) (1) No strike or lockout in the long-
9 shore or maritime industry in the States of Washington, Ore-

1 gon, or California (hereinafter in this section such States
2 are referred to as the 'west coast') shall be permitted to
3 interrupt normal shipping from any port on the west coast
4 to Hawaii, the Trust Territory of the Pacific Islands, Guam,
5 or American Samoa (hereinafter in this section any such
6 territory shall be individually referred to as 'any United
7 States Pacific island') or from Hawaii or any United States
8 Pacific island to any port on the west coast for a period of
9 one hundred and sixty days beginning on the first day of
10 such strike or lockout.

11 “(2) An employer or labor organization who is a party
12 to a strike or lockout described in paragraph (1), the
13 Governor of Hawaii, Guam, or American Samoa, or the
14 High Commissioner of the Trust Territory of the Pacific
15 Islands, or the designated representative of any such Gov-
16 ernor or of such Commissioner (if such a strike or lockout
17 interrupts normal shipping of Hawaii or any United States
18 Pacific island where such Governor or High Commissioner
19 is the executive) may petition any United States district
20 court having jurisdiction to issue an injunction or temporary
21 restraining order to enforce the provisions of paragraph (1).
22 Any such injunction and temporary restraining order shall
23 in the aggregate remain in effect until the end of the one-
24 hundred-and-sixty-day period provided by paragraph (1).
25 Such injunction may not be requested while an injunction

1 issued under section 208 of the Labor-Management Rela-
2 tions Act, 1947 (29 U.S.C. 178), is in effect. If, while an
3 injunction issued under this section is in effect, an injunction
4 is issued under section 208, the counting of the one-hundred-
5 and-sixty-day period referred to above shall be suspended
6 until the injunction under such section 208 is discharged pur-
7 suant to section 210 of such Act.

8 “(b) (1) Any employee (the terms or conditions of
9 whose position of employment are governed by the agree-
10 ment entered into between the employer and the labor
11 organization which resolves a strike or lockout described in
12 subsection (a) (1)), who performs work or services for his
13 employer during the period of one hundred and sixty days
14 required by subsection (a) (1), shall perform such work or
15 services pursuant to wages, hours, and other terms and con-
16 ditions of employment of the last agreement between such
17 employer and labor organization prior to such strike or
18 lockout.

19 “(2) Each employee shall receive additional wages for
20 performing work or services described in subsection (b) (1)
21 at a rate equal to the difference between the wage provided
22 for that employee (or that employee's position) under the
23 agreement which resolve the labor dispute and the wage
24 such employee actually received for performing such work
25 or services.

1 “(c) The provisions of the Act entitled ‘An Act to
2 amend the Judicial Code and to define and limit the juris-
3 diction of courts sitting in equity, and for other purposes’,
4 approved March 23, 1932 (29 U.S.C. 101-115) shall not
5 apply to any injunction issued under subsection (a) (2).
6

7 “(d) For the purposes of this section—

8 “(1) the term ‘interrupt normal shipping’ means
9 (A) a refusal to load cargo aboard a ship (or to permit
10 the loading of cargo aboard a ship) at a port on the
11 west coast if such cargo is destined for use in Hawaii
12 or any United States Pacific island, (B) a refusal
13 to unload cargo from a ship (or to permit the unloading
14 of cargo from a ship) at a port on the west coast if such
15 cargo was shipped from Hawaii or any United States
16 Pacific island, and (C) a refusal to operate (or to per-
17 mit the operation of) a ship from a port on the west
18 coast with cargo destined for use in Hawaii or any
19 United States Pacific island or a ship from Hawaii or
20 any United States Pacific island with cargo destined
21 for a port on the west coast; if any such refusal was a
22 cause of a ship leaving the dock facility in Hawaii or any
23 United States Pacific island or at a port on the West
24 Coast more than forty-eight hours after its scheduled
25 time of departure, or a cause of cargo from Hawaii or
any United States Pacific island not being unloaded at

1 any such dock facility at a port on the west coast for at
2 least forty-eight hours after the ship carrying such cargo
3 arrived at such facility;

4 “(2) the term ‘strike’ has the same meaning as it
5 has in section 501 (2) of the Labor Management Rela-
6 tions Act of 1947; and

7 “(3) the terms ‘employer’, ‘employee’, and ‘labor
8 organization’ have the same meanings as such terms
9 have in sections 2 (2), (3), and (5), respectively, of
10 the National Labor Relations Act.”

11 SEC. 3. The provisions of section 209 (a) of the Railway
12 Labor Act shall take effect on the date of enactment of
13 this Act unless a strike or lockout in the longshore or mari-
14 time industry on the west coast is occurring on such date
15 of enactment, in which case such provisions shall take
16 effect on the fifth day after such date of enactment.

Mr. JARMAN. I will ask Mr. Matsunaga to proceed and to introduce his associates for the record.

STATEMENTS OF HON. SPARK M. MATSUNAGA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII; HON. PATSY T. MINK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII; AND HON. HIRAM L. FONG, A U.S. SENATOR FROM THE STATE OF HAWAII

Mr. MATSUNAGA. Thank you very much, Mr. Chairman and members of the subcommittee. It is customary congressional courtesy for a witness to thank the panel for providing him the opportunity to testify. But I assure you that my expression of appreciation this morning is no empty formality. In order to hear from members of the Hawaii congressional delegation, and business and public officials from Hawaii, you have listened to my fervant pleas and worked this hearing into what is surely one of the busiest schedules of any subcommittee on Capitol Hill. For this I am truly grateful.

I can assure you also that H.R. 7189, the "Hawaii and U.S. Pacific Islands Surface Commerce Protection Act of 1973," proposes to meet a most urgent need: the continuation of ocean commerce between the west coast and Hawaii, and between the west coast and the U.S. Pacific Islands.

You will hear, either through testimony or written statements from those with first-hand knowledge, about the impact of shipping disruptions on the Pacific Islands. For my part, I cannot overemphasize, Mr. Chairman and members of the subcommittee, that the effects on my State of Hawaii are truly devastating. To avoid repetitive testimony, I will not delve into details.

The devastating effect on Hawaii and its people, I believe, can be readily seen by a mere recitation of facts and events from very recent history. During the 18-month period ending last December, Hawaii was deprived of mainland shipping service for a total of 179 days—1 day out of every 3.

During the major west coast dock strike in 1971-72, a survey of small businessmen in Hawaii showed that more than 80 percent of those surveyed had suffered from the strike. More than 30 percent had been forced to let employees go. Hawaii's unemployment rate in February 1972 rose to 6.5 percent—the highest since statehood and higher than the national average.

Consumers, too, felt the pinch in that same strike. Some items of necessity like rice, salt and toilet paper disappeared from market shelves completely; and believe you me, Mr. Chairman if you wish to start a rebellion within any American community, just try denying them salt and toilet paper. Other products in short supply skyrocketed in price.

Even more frustrating to the people of Hawaii was the fact that, except for 3 of those 179 days, no one in Hawaii was directly involved in the disputes that caused the stoppages. We residents of Hawaii were innocent third party victims.

Consequently all four Members of Hawaii's congressional delegation have searched for a workable solution to this problem. We have with us this morning Mrs. Mink, to my right, a cosponsor of the measure, Mr. Won Pat, a cosponsor, and Senator Fong, who is a sponsor of a similar measure in the Senate. Our joint suggestions for voluntary agreements between management and labor for the protection of Hawaii have not been accepted. It is clear to us that legislation is the only way to obtain that protection.

Hawaii's situation is unique. No other State can be crippled so swiftly and so completely by a severing of its ocean shipping lifeline. The entire Hawaii congressional delegation has therefore drafted and introduced legislation which responds to Hawaii's unique needs. In doing so, we have taken pains to ask protection for Hawaii only against dangers Hawaii has no powers to deal with alone. The bill in the House in H.R. 7189. A similar bill has been introduced in the Senate. Both bills would exempt Hawaii and the U.S. Pacific Islands from any west coast dock or shipping tieup for the first 160 days of such a tieup.

H.R. 7189 is not intended to plow virgin ground, for it follows a clear precedent: both management and labor have long voluntarily exempted military cargo from a strike or lockout for indefinite periods.

Furthermore, the bill would not interfere with the normal process of free collective bargaining. The exemption provided in the bill would affect only about 3 percent of the total man-hours involved in the operation of the west coast docks. This means that neither labor nor management involved in shipping dispute would be perceptibly affected in the bargaining process by exempting Hawaii and the Pacific Islands, which H.R. 7189 proposes to do.

The parties to the dispute which resulted in the 134-day stoppage in 1971-72 are now negotiating a new contract. The existing one expires in less than 4 weeks. Even if a strike is averted, it appears that the new contract will be for a relatively short term. Other maritime union contracts will soon be expiring. In some cases, a few dozen men could virtually sever the lifeline to 800,000 Americans living in Hawaii. For too long, Hawaii's citizens have lived through tieups, or the threat of tieups, over which they have no control.

The people of Hawaii are united behind H.R. 7189. Today's witnesses, and the statements of support which the subcommittee will be receiving, will provide ample evidence of this. I urge this distinguished subcommittee to respond to an urgent necessity and act speedily to approve H.R. 7189.

Thank you very much for your kind consideration. I would now like to yield to my cosponsor, Mrs. Mink.

Mr. JARMAN. The committee would be pleased to hear you.

STATEMENT OF HON. PATSY T. MINK

Mrs. MINK. Thank you very much. I would like to join and underscore the testimony just presented by my colleague, Congressman Matsunaga, and to most especially state my own personal appreciation for your providing us this opportunity to be heard on what is a

matter of urgent importance to the people of my State as indicated by our presence here today as a Hawaii delegation.

I know Senator Inouye would be here also, except for his participation in the Watergate hearings, of which as you know he is a member of that special committee.

We would not be making this legislative effort were it not for the fact that shipping is a matter of utmost importance to Hawaii. Overseas cargo received in the State in 1970 amounted to 27,000 tons by air and 7.5 million tons by ship. Thus, only an infinitesimal fraction of our commerce is transported by means other than ship. To cut off our shipping means essentially to cut off all our transportation. Only a few emergency or perishable supplies can be transported to Hawaii by air. The great cost of air transportation is readily seen in the fact that it is more than 2,000 miles from Hawaii to the closest mainland, U.S. point.

When one recognizes that Hawaii has no internal source of minerals, or most other raw materials, it can be seen that shipping is literally our lifeblood. As an example, all our fuel and other energy sources must be imported across the ocean. An interruption of Hawaii shipping has been likened to building a wall around any other State to completely seal off any travel across the borders, into or out of the State, by car, rail, truck, boat, pipeline, or any other form of surface transportation.

When there is a shipping interruption to Hawaii, commerce dries up. Businesses cannot get materials to build or sell. Shortages begin to appear. Employees are laid off. An economic paralysis sets in that takes many months to recover from whenever shipping is resumed.

The purpose of the bill is to prevent such an economic disaster. It is important for the subcommittee to note that the bill does not affect any shipping interruption caused by action of the people of Hawaii themselves. If workers in Hawaii chose to go on strike, or Hawaii employers stage a lockout, there is no protection in this legislation. The only protection we seek is from becoming involved as the innocent third-party victims of somebody else's shipping dispute.

Because of its geographic location, Hawaii is served primarily by shipping from the west coast. Whenever a labor-management dispute occurs in the west coast maritime or longshore industries, the parties directly involved are west coast workers and shipping companies. Studies indicate that less than 3 percent of the labor in west coast shipping involved goods being sent to Hawaii. The primary, almost exclusive, principals are parties on the west coast.

It is our contention that Hawaii should not be held hostage because of its slight involvement. While the 3 percent is of no consequence in settling the issues of this dispute, it is of tremendous importance to Hawaii. Thus, Hawaii is made to suffer to an extent completely out of proportion to its almost nonexistent role in the disputes Hawaii is made to endure an economic disaster while the other States primarily involved can enjoy the continued benefits of highway transportation, railroad transportation, and every other form of normal commerce.

It is grossly unfair to permit the continuation of policies which result in this discrimination against one of our States. As our solution,

the entire membership of the Hawaii congressional delegation is united in supporting bills in the House and Senate whose effective provisions are identical. The legislation before you would provide for up to 160 days of exemption for Hawaii from any shipping interruption resulting from a labor dispute in the west coast maritime or longshoring industries. It would accomplish this by virtue of a court injunction sought by a party to the dispute or the Governor of Hawaii. Similar protection is afforded to our other U.S. Pacific islands.

I ask your urgent consideration of this legislation from the standpoint of equity. The bill would not interfere with the normal collective bargaining process. West coast workers and shippers could continue efforts to resolve their dispute with more than 97 percent of the economic force of a strike or lockout still in effect. The only change would be that the 800,000-plus people of Hawaii would not be compelled to endure the virtual termination of the commerce which provides them with their daily necessities of life, over a dispute to which they are only an incidental party.

At present, Hawaii is the most vulnerable State in the Nation to transportation disputes. A unique situation justifies a unique solution. I strongly urge your early consideration and approval of this bill. Thank you very much, Mr. Chairman.

Mr. JARMAN. Thank you, Mrs. Mink.

Mr. MATSUNAGA. Mr. Chairman, to show the unity of effort on the part of the Hawaiian delegation and to show that this is truly a bipartisan effort on our part, I am pleased to present from the opposite side of the political aisle the senior Senator from Hawaii, the Honorable Hiram L. Fong.

Mr. JARMAN. The committee would be pleased to hear the distinguished Senator.

STATEMENT OF SENATOR HIRAM L. FONG

Senator FONG. Mr. Chairman and members of the subcommittee, I wish to commend you for scheduling this hearing on H.R. 7189, the Hawaii and Western Islands Surface Commerce Protection Act of 1973. This legislation is of intense interest and crucial importance to the 859,000 people of Hawaii, and I am sure that I speak for all of them in expressing gratitude for your concern.

I also wish to express my appreciation for your courtesy in inviting me to appear before you today.

I know you are on a tight time schedule this morning, with many witnesses to be heard, and so I would request that the full text of my prepared remarks of 14 pages be included in the record, and I will just summarize my statement in 3½ pages.

Mr. JARMAN. The committee will be glad to receive the statement in full, Senator.

Senator FONG. I endorse wholeheartedly what has been said by Congressman Matsunaga and Congresswoman Mink. I strongly support H.R. 7189, and with my colleague from Hawaii, Senator Inouye, have introduced a substantially similar bill in the Senate, S. 1566, the Hawaii and United States Pacific Islands Surface Commerce Act of 1973. A hearing will be held on that bill tomorrow by the Merchant Marine Subcommittee of the Senate Commerce Committee.

H.R. 7189, as well as S. 1566, provides for a 160-day exemption for Hawaii and the other U.S. Pacific islands—Guam, American Samoa, and the Trust Territory of the Pacific Islands—from any west coast longshore or maritime strike or lockout.

Hawaii is located in the heart of the North Pacific Ocean, nearly 2,500 miles distant from the U.S. mainland.

Our island economy is primarily export-import in nature. Nearly 80 percent of all physical commodities must be imported. We depend on the U.S. mainland for much of our food, clothing, building materials, and other necessities of modern life. Our economy depends on exports of sugar, pineapple, and textiles which move from Hawaii by sea.

Some 99 percent of our imports and exports must move almost entirely by ship. When shipping is disrupted, the people and the economy of Hawaii are hit, and hit hard.

Shipping disruptions have come with devastating frequency since the close of World War II. More than 4 years of transportation services have been lost in the 1946-72 period. The periods of dislocation due to anticipating, suffering through, and recovering from a strike probably bring the total period of disruption to more than 6 years—almost a quarter of the time elapsed since the end of the war.

Shipping strikes mean lost jobs, business failures, higher prices, depleted savings, reduced tax revenues, loss of outside investment capital, and lost markets for Hawaii's exports. They also mean lost business and markets for mainland producers and suppliers whose goods are needed and purchased by the people of Hawaii. Mr. Chairman and members of the committee, this is an intolerable situation.

Yet, these stoppages almost invariably do not originate in Hawaii, have no participants in Hawaii, and are remote from any direct influence which might be brought to bear by our local unions, management, and the force of public opinion in Hawaii.

The requested 160-day exemption for Hawaii and the U.S. Pacific islands relates only to maritime or longshore strikes on the west coast. The pending bill, H.R. 7189, does not deal with strikes in Hawaii itself. Like any other State, Hawaii must continue to cope with work stoppages within its own borders.

The exemption requested would involve only some 31½ percent of the longshore-hours worked on the west coast, and only about 7.3 percent of the total man-days worked by shipboard labor with west coast contracts. Therefore, I believe that it would have little impact upon collective bargaining, a process to which I have long been deeply committed.

Yet through its operation, this bill would provide Hawaii and the U.S. Pacific islands with the security of transportation services enjoyed by other States which have alternative means of surface transportation. It is a viable remedy for the economic hardship Hawaii sustains solely by reason of its geographical location.

It is a fair bill. It is a workable bill. There is no present statutory remedy for Hawaii in cases of west coast maritime or longshore strikes—no exemption, no partial operation, no guaranteed settlement procedure.

I urge this subcommittee to give Hawaii relief from an intolerable situation. We appeal to you with a sense of urgency. June 30—only

25 days from today—is the expiration date of present longshore contracts on the west coast as well as in Hawaii.

Thank you, Mr. Chairman.

[Senator Fong's prepared statement follows:]

STATEMENT OF HON. HIRAM L. FONG, A U.S. SENATOR FROM THE STATE OF HAWAII

Mr. Chairman and Members of the Subcommittee:

Before I begin my statement in support of H.R. 7189, The Hawaii and Western Islands Surface Commerce Protection Act of 1973, may I commend you for scheduling this hearing on legislation which is of crucial importance to the 850,000 people of my State of Hawaii. I also wish to express my appreciation for your courtesy in inviting me to appear before you today. I am sure I speak for all the people of Hawaii in expressing gratitude for your interest and concern.

I strongly support H.R. 7189, which was introduced by Representatives Matsunaga and Mink of Hawaii and Mr. Won Pat, the Delegate from Guam. My colleague from Hawaii, Senator Inouye, and I have introduced a substantially similar bill in the Senate, S. 1566, the Hawaii and United States Pacific Islands Surface Commerce Act of 1973, on which a hearing will be held tomorrow, June 6, by the Merchant Marine Subcommittee of the Senate Commerce Committee.

The preparation and introduction of this legislation represents a sustained, intensive, and unified effort by all four members of the Hawaii Congressional Delegation. I am convinced, on the basis of many conversations, letters, and other communications, that the overwhelming majority of the people in Hawaii also strongly support this bill. I can also report that it has the endorsement of many other concerned individuals and businesses in other parts of the nation.

Under the provisions of H.R. 7189, a 160-day exemption from any West Coast longshore or maritime strike or lockout is provided for Hawaii and the other Pacific islands under U.S. jurisdiction—Guam, American Samoa and the Trust Territory of the Pacific Islands. Together with the 80-day Taft-Hartley back-to-work injunction that would probably be obtained at some point during such a lengthy work stoppage, our ocean lifeline could be kept open for a total of 240 days.

Justification for this legislation rests upon three basic facts. First, Hawaii is an island State in the Pacific Ocean, nearly 2,500 miles distant from the U.S. Mainland. Second, its geographical location makes Hawaii primarily dependent upon a single mode of transportation—ocean shipping—for the movement of the almost all imports and exports essential to sustain our people and economy. Third, Hawaii's dependence on ocean shipping renders the entire State extremely vulnerable to disruptions of maritime commerce.

An estimated 99 per cent of the total freight tonnage between Hawaii and the U.S. Mainland is normally carried by ship. The remaining one per cent moves by air carrier, except when shipping is interrupted and air cargo becomes the only alternative.

In that event, air capacity can be increased to between 2 and 2½ per cent of the normal freight tonnage—but Hawaii must forego the remaining 97 per cent, for there is literally no other alternative means of transportation—no trains, no interstate trucks, no buses, no automobiles, nor any other mode of transportation between Hawaii and the U.S. Mainland.

Approximately 80 per cent of all physical commodities purchased by Hawaii's 859,000 people are imported, primarily from the U.S. Mainland and principally from the West Coast. No industry or individual is free from dependence upon imported goods.

Whether a resident of Hawaii buys a car or a typewriter, a bag of rice or a piece of plywood, in order to reach the point of retail sale his purchase first had to be transported over thousands of miles of ocean.

Virtually everywhere one looks, therefore, the goods and supplies essential to modern living in Hawaii are imported or import-dependent. Cement and concrete products used in construction, for example, are produced in Hawaii—but two essential ingredients, silica sand and gypsum rock—must be brought in from the U.S. Mainland. To give another instance, locally produced meat and dairy products must ultimately depend upon the availability of imported livestock feed.

In fact, some 60 per cent of all of the food needed for Hawaii's people must be imported. Furthermore, the pressures of urban development are steadily shrinking the limited land area suitable for agriculture production.

Housing is very costly in Hawaii and is in critically short supply. Ninety-seven per cent of the lumber needed for construction in Hawaii must be imported. When wood, paint, nails, plumbing fixtures, roofing, and other construction materials are not shipped to Hawaii in a steady flow, costs increase even further and the effort to meet the housing demand of our people lags even further behind.

Hawaii has no metal resources, with the exception of bauxite, which has never been commercially exploited. We have few nonmetallic minerals, and we totally lack any deposits of oil or coal. Every drop of oil needed to produce electrical energy, to operate equipment and to run our motor vehicles must be imported.

In turn, it is essential that Hawaii must be able to export its sugar, pineapple, textiles and other locally produced or manufactured products without fear of interruption. For example, an average of 1,200,000 tons of raw sugar must be shipped from Hawaii to the U.S. Mainland each year for refining and distribution in a very competitive market. After tourism, our exports of sugar and pineapple are the two leading income producers for Hawaii.

In the current calendar year, it is estimated that commodities moving to Hawaii from the U.S. Mainland will total 5,000,000 tons by ship and 50,000 tons by air. From Hawaii to the U.S. Mainland, it is estimated 2,000,000 tons will go by ship and 25,000 by air.

As Members of this Subcommittee well know, the Merchant Marine Act of 1920, commonly known as the Jones Act, specifically restricts shipping operations between U.S. ports to vessels built and registered within this country. Although the two-way trade between Hawaii and the West Coast traverses nearly 2500 miles of international waters, it is still considered commerce, and we of Hawaii do not seek to change the U.S. flag requirement.

In such a predominantly export-import economy, you will readily recognize that the mere threat of a longshore or maritime work stoppage on the West Coast can reverberate throughout Hawaii—and that an actual shutdown of West Coast shipping operations can become an economic disaster for the Islands.

The possibility that ships will cease to sail between Hawaii and the U.S. Mainland is all too real. Since World War II, more than four years of transportation services have been lost due to strikes in shipping and air transportation services between Hawaii and the U.S. Mainland. Eight major strikes, only one of them centered in Hawaii, totalled 637 days: These were as follows:

1. The 53-day West Coast maritime and longshore strike of 1946.
2. The 96-day West Coast maritime and longshore strike of 1948.
3. The 177-day Hawaii longshore strike of 1949.
4. The 66-day West Coast maritime strike of 1952.
5. The 27-day West Coast maritime strike of 1962.
6. The 43-day machinists' strike of five trunk air carriers in 1966.
7. The 134-day West Coast longshore strike of 1971-72.
8. The 41-day West Coast maritime strike of 1972.

Scores of shorter or more limited strikes add over a thousand days to this total.

In the longshore and maritime industries, according to a recent compilation by Dr. Thomas K. Hitch, Chairman of the Research Division of the First Hawaiian Bank, who is testifying today, there were a total of 83 work stoppages of two or more days' duration which affected Hawaii trade during the 27-year period 1946-72. Thirty-five of these involved the crucially important West Coast shipping operations.

Disruptions of Hawaii's sea and air lifelines with the U.S. Mainland—even brief ones—create economic anxiety in Hawaii and extract a price, whose cost is related to the duration of a work stoppage and the kind of transportation involved. Prestrike stockpiling is common and highly disruptive to our island economy. Poststrike recovery also involves costs. It is fair to state that the total period of economic disruption in Hawaii due to anticipating transportation strikes, suffering through transportation strikes, and recovering from transportation strikes amounts to more than six years—almost 25 percent of the time since the close of World War II in 1945.

Recent West Coast strikes have proved highly injurious to Hawaii's people and economic health. For 179 days between July 1, 1971 and the end of 1972—six months out of 18, or one day out of every three—non-military shipping between Hawaii and the West Coast was shut down by longshore and maritime strikes. For 134 days during that period, a West Coast longshore dispute closed all ports in Washington, Oregon and California.

As a direct result, thousands of workers in Hawaii across a broad spectrum of enterprises were laid off or placed on shortened workweeks. Unemployment rose to 6.5 per cent in February 1972, the highest point in Hawaii's history as a State.

Prices rose precipitously because of shortages and added air freight costs.

Even with the Phase I wage-price freeze that began August 14, 1971, Honolulu food prices climbed 4.5 per cent between June and October, while nationwide food prices actually declined 0.3 per cent. By February 1972—after 115 cumulative days of strike and despite relief through an 80-day Taft-Hartley injunction and two voluntary extensions—a head of lettuce cost 72 cents, a dozen oranges \$1.45, and 10 pounds of potatoes \$2.28 on the average.

Savings were depleted. Residential and commercial construction slowed. Federal and State tax collections dropped, and many businesses, unable to resupply, closed their doors forever.

Shipping tieups also have serious long-range repercussions on the State of Hawaii. The principal impact is to make it more difficult to attract investment capital. For the last twenty years or more, the economic growth of Hawaii has been financed in large measure by capital attracted from outside the State. This is true for three reasons: The first is that even if most savings of Hawaii residents were kept in liquid form and invested locally, our rate of growth has been such that such funds would be inadequate. The second reason is that more and more savings of Hawaii residents are in fact being funneled into U.S. Mainland institutions, such as insurance companies, mutual funds, the stock and bond market, and so on. Third, more and more of Hawaii business enterprise is owned by out-of-state corporations, so that profits made in Hawaii are not always reinvested locally but are returned to a home office located on the U.S. Mainland or in a foreign country.

Personal savings and business profits, therefore, tend to flow out of Hawaii, and the economic development of the State depends upon local ability to attract outside investment funds. Naturally the capacity to attract such funds is dealt a severe setback when a transportation shutdown shakes investor confidence.

Also, and very importantly, shipping strikes imperil or destroy markets for Hawaii's export industries. The primary market for Hawaiian sugar, for instance, is in the Western States, where sugar is already in surplus. In the past, the Hawaii sugar producers have lost important industrial customers because maritime and longshore disputes have interrupted normal shipments and turned customers to other sources of supply.

The salt in the wound when Hawaii suffers from a West Coast shipping tieup, however, lies in the fact that such disputes do not originate in Hawaii, have no participants in Hawaii, and are remote from any direct influence which might be exerted by our local labor unions and management and the people of Hawaii. Hawaii's traditional role has therefore been to become the hostage of such far-away disputes.

The Hawaii exemption legislation under consideration by this Subcommittee quite consciously avoids dealing with strikes and lockouts in Hawaii itself. These local disputes involving our own labor unions and management are subject to Hawaii statutory remedies and to direct influence from public opinion within the State. Like every other State, we in Hawaii will continue to cope with work stoppages within our own borders.

The exemption provided in this bill would assure a secure ocean lifeline for Hawaii and the U.S. Pacific islands. Yet the impact of the exemption would be very minimal on the parties to a West Coast longshore or maritime dispute.

An exemption for Hawaii would involve only a small fraction of the number of longshore hours worked on the West Coast. A recent study indicates that approximately 3 per cent of all man-hours worked at West Coast ports was expended on the handling of cargoes originating at or destined for Hawaiian ports. By adding Guam, American Samoa and the Trust Territory of the Pacific Islands, this figure is increased to only about 3½ per cent. Of the shipboard labor with West Coast contracts, only about 7.3 per cent of the total man-days worked would be involved.

Therefore, I believe the proposed exemption for Hawaii will have little, if any, impact on collective bargaining, a process to which I have long been deeply committed.

I believe this bill represents a fair solution to our problem for all concerned. It provides that no maritime or longshore industry strike or lockout on the West Coast of the United States shall be permitted to interrupt normal shipping between the West Coast and Hawaii or the other islands in the Pacific under the American flag—Guam, American Samoa, and the Trust territory of the Pacific Islands—for a period of 160 days following the first day of such strike or lockout. In other words, Hawaii and the U.S. Pacific Islands would be exempt for this period from the effects of such transportation stoppage.

An injunction to secure this exemption may be petitioned for in any Federal district court having jurisdiction by any employer or labor organization which is a party to the strike or lockout, by the Governor of Hawaii, Guam or American Samoa, or by the High Commissioner of the Trust Territory of the Pacific Islands.

An exemption injunction may not be requested if a Taft-Hartley back-to-work injunction is in effect. In the event a Taft-Hartley injunction is later obtained, the running of the 160-day exemption injunction shall be suspended until the Taft-Hartley injunction is discharged, at which point, the exemption injunction would resume.

Employees working during the exemption period will be subject to the wages, hours and other terms and conditions of their last contract, but additional wages shall be paid retroactively for the exemption period if granted as part of the agreement resolving the labor dispute.

For purposes of the act, an interruption of shipping services is defined as, first, a refusal at a West Coast port to load or unload cargo, or to permit the loading or unloading of cargo, destined for or shipped from Hawaii or any U.S. Pacific Island; or, second, a refusal to operate or permit the operation of a ship with cargo destined for or origination from Hawaii or any U.S. Pacific Island if any such refusal was a cause of a ship leaving the dock facility more than 48 hours late or not being unloaded more than 48 hours after arrival.

Mr. Chairman, Members of the Subcommittee, we of Hawaii appeal to you to help us in our critical dilemma. There is no existing statutory relief for Hawaii in West Coast longshore and maritime disputes which affect our ocean supply lifeline. There is no statutory exemption for Hawaii. There is no statutory provision for partial operation to serve Hawaii, and there is no statutory provision guaranteeing settlement of such disputes.

We appeal to you with a sense of urgency. June 30, only 25 days from today—is the expiration date of present longshore contracts on the West Coast as well as in Hawaii. The outcome of current talks is uncertain.

Enactment of H.R. 7189 and its counterpart in the Senate, S. 1566, would give Hawaii and the U.S. Pacific Islands the security transportation services which other States are assured of by virtue of having alternate means of surface transportation. It is a viable remedy for the economic hardship inflicted upon Hawaii and the U.S. Pacific islands solely because of their mid-Pacific island location. It is a fair bill. It is a workable bill. I urge this Subcommittee to give its prompt and favorable consideration.

Mr. MATSUNAGA. With your permission, Mr. Chairman, I would like to place in the record a statement from Senator Daniel K. Inouye.

Mr. JARMAN. Without objection, Senator Inouye's prepared statement will be printed at this point in the record.

[The statement referred to follows:]

STATEMENT OF HON. DANIEL K. INOUE, A U.S. SENATOR FROM THE STATE OF HAWAII

On April 12 of this year, my colleague, Senator Fong, and I introduced S. 1566, the Hawaii and U.S. Pacific Islands Surface Commerce Act. This measure was the culmination of efforts to formulate a reasonable legislative approach to solving Hawaii's most pressing

problem—our unique vulnerability to surface transportation stoppages involving the west coast-Hawaii trade

In 1971, I had introduced S. 2836, the Hawaii Public Interest Protection Act. This subcommittee held 3 days of hearings on that measure in January 1972 in Honolulu.

Those hearings demonstrated the extent of the problem—they provided ample documentation of the acute need for relief from such stoppages in the future. They demonstrated that even the threat of stoppages caused deep and enduring damage to the people of Hawaii. The problem cried out for solution.

Those hearings also demonstrated that the proposed solution provided in S. 2836—Government operation of the Hawaii-west coast shipping with ships and workers not involved in the dispute, was not a workable solution.

As a result, on January 6 of this year, I introduced S. 231, which would have placed a 60-day moratorium on the imposition of any west coast stoppage of the Hawaii trade.

The measure under consideration here today, S. 1566, is a refinement of those earlier measures. It is the result of numerous comments on the earlier proposals and of our continuing efforts to find a workable measure which would do the job and command the unanimous support of Hawaii's congressional delegation as well as that of the other political and economic interests in Hawaii.

It is also faithful to several principles which I consider essential to any solution to our problem.

It recognizes that our problem is unique. It is one which is shared only by the other U.S. islands of the Pacific. Those areas are included under its provisions.

It recognizes the principle that we should interfere as little as possible, consistent with our objective, with the normal economic forces which are operative in labor-management negotiations.

It recognizes further that any measure of interference in labor-management disputes must be an even handed one. Any interference must be to the advantage of neither labor nor management.

The west coast-Hawaii trade constitutes some 3 percent of total longshore hours worked, 7 percent of shipboard labor, and less than 13 percent of the vote in the Pacific Maritime Association, the management interest in the west coast trade.

It recognizes that the mere and recurring threat of stoppage itself causes great economic damage as merchants and other economic interests in Hawaii seek to gird against any stoppage by expensive stockpiling of merchandise. Warehousing costs in Hawaii are 250 percent of mainland costs according to a recent study.

S. 1566 recognizes that any proposed solution must not only be fair and reliant on normal labor-management economic forces but it must also be one which can be readily implemented. The proposed solution is one which has been regularly utilized on a voluntary basis to transport military supplies during previous shipping stoppages.

This measure meets the necessary criteria of having broad support. In addition to the unanimous support of the Hawaii congressional delegation it has the support of the Governor and the mayors of our counties.

The Hawaii State Senate has endorsed the proposal as have the representatives of Guam and American Samoa. The Honolulu Chamber of Commerce and other Hawaii economic interests support the measure. The county councils have indicated their support. Despite differences of party and political philosophy we have achieved a remarkable degree of unity in support of this measure. While some seek greater relief than that provided in S. 1566, I have yet to receive a single letter of outright opposition.

S. 1566 is not a cure-all but it does represent a surprising consensus among those who have long struggled to find a solution to the unique problem which is ours.

On each occasion when there is a shipping stoppage in the west coast trade or even the threat of such a stoppage, in which the shippers and consumers of Hawaii are held hostage in a dispute not of their making and one over which they have little, if any, influence, we experience irreparable damage.

During our 1972 hearings, we received extensive documentation detailing the severity of the crisis foisted upon the people of our State.

Nothing that has happened since has lessened our concern. The strike then current continued for another 34 days after the expiration of the Taft-Hartley injunction. Another, involving a very small number of workers, has since closed down our shipping for 41 days.

We are now facing the expiration of the current ILWU-PMA contract on June 30 and even though the prospects for settlement look good, people in Hawaii are once again busy trying to stockpile to protect themselves in case of a strike or lockout.

With 99 percent of our trade by weight arriving by ship or barge and with some 90 percent of our imported food products dependent on west coast-Hawaii shipping the need for relief can be clearly shown. In conjunction with Guam, American Samoa and the Trust Territories of the Pacific we are in a uniquely dependent and vulnerable state.

Some have suggested that we seek a solution to our problem through general legislation which would apply to all transportation stoppages. I have opposed this course of action for our problem is unique and there is no justification in my mind for placing restrictions on the right to strike or the right to bargain collectively where no clear and overriding threat to the very economic health and survival of a people exists.

We may not be able to measure the costs in precise dollar amounts which have been added to the cost of living and doing business in Hawaii because of the recurring stoppages. Yet we know that they are substantial. We know that these costs are eventually borne by every businessman, every worker and every consumer in Hawaii. We know that the Federal Government has once again found it necessary to continue the 15-percent cost-of-living allowance for Federal employees in Hawaii.

We know that it is time that we take effective action to bring an end this added burden. We are confident that this can be done without giving up the important rights of any group. We believe that S. 1566 is the legislative vehicle through which our goal can be achieved.

Mr. JARMAN. On behalf of the subcommittee, I want to thank our colleagues in the Congress. I think this is an excellent presentation and certainly points up a very real problem facing the islands.

Mr. Harvey?

Mr. HARVEY. Thank you, Mr. Chairman, I want to join the chairman in saying I think this is an excellent presentation. My only difficulty is that I don't understand it. I was always under the impression that the maritime industry was under the Taft-Hartley Act and here we are amending title II of the Railway Labor Act to insert another injunctive provision. Could you explain that, any one of you?

Mr. MATSUNAGA. The bill was referred to this committee, as the gentleman observed, because it amends the Railway Labor Act. The reason for doing that is that a similar bill introduced in the Senate was referred to the Commerce Committee in the Senate. H.R. 7189 was introduced subsequent to the introduction of the Senate bill, so that we on the House side felt that if the bill were referred to the counterpart committee in the House, matters would be much more readily resolved if differences should occur and a conference between the Senate and the House were to become necessary.

Moreover, I might point out to the gentleman that this bill does pertain to interstate commerce, a commerce which is vital to the economic life, if not the very welfare of the people of Hawaii. This committee certainly has proper jurisdiction over the matter.

Mrs. Mink would like to respond further.

Mrs. MINK. If I could respond to that further, there are actually two pieces of legislation which the Hawaii delegation have sponsored. One of them is pending before this committee. The other bill is before the Education and Labor Committee and the counterpart over in the Senate, the Public Welfare Committee. That bill deals with the question of uniform expiration dates because we believe that also is a very important matter. We are seeking 3-year contracts and the requirement that these 3-year contracts all expire at the same time.

I believe there are seven or eight unions involved and one of the big difficulties is that the expiration dates of each agreement now comes up at whatever time each decides without any question of what the impact is on a State that is totally dependent upon ocean commerce.

So we felt that in addition to the urgent question presented in this bill, that we also try to seek a 3-year agreement and an agreement that would with respect to all of the bargaining units expire at the same time so we could have at least 3 years of stability in our State to which we feel we are entitled.

Mr. HARVEY. I appreciate the statement further explaining what the delegation is trying to do. Last year when we were very much concerned with the effect of restrictions in the railroad industry and in the longshore industry and when this committee heard at length testimony relative to legislation to settle emergency strikes in those fields, we found that there was quite a jurisdictional dispute between this committee and the Education and Labor Committee. Each committee was quite jealous of its prerogatives in each separate field. This committee does have jurisdiction of the Railway Labor Act and yet the other committee does have jurisdiction of the Taft-Hartley Act.

I wanted the delegation to be aware that the manner in which this had been submitted to this subcommittee would thrust it right into that jurisdictional dispute.

Mrs. MINK. May I respond further on that? With respect to the legislation before the Education and Labor Committee, it was in the nature of an amendment to the collective-bargaining process. The issues of compulsory arbitration, the establishment of procedures whereby agreements were binding upon the parties and all of that related to the procedures by which these strikes would be settled.

The crippling strike legislation and all of these concepts were in the nature of revisions or suggested revisions to the procedure. We did not wish to get into that very difficult situation of trying to come up with suggestions which impinged upon the collective bargaining process which in my view is properly in the jurisdiction of the Labor Committee of which I happen to be a member.

This bill seeks only the exemption of cargo, the exemption of Commerce with respect to Hawaii. We felt that that was quite different from seeking to change the collective-bargaining process which I would have to say would be properly before my own committee in the labor field. This is why the other bill which goes to the collective-bargaining agreement we felt would be properly before the other committee. I hope that answers in part some of the questions that you have raised.

Mr. MATSUNAGA. I might also point out, Mr. Harvey, that the question was cleared with the leadership and the bill was referred to this committee after consultation with the leadership.

Mr. HARVEY. Again, I thank the gentlemen. The difficulty is that it gives use the impression of an incomplete bill—a bill that pertains only to the length of the period of injunction; is that correct?

Mr. MATSUNAGA. The bill would amend the Railway Labor Act, as the gentleman knows, to provide for a 160-day exemption for Hawaii, from any interruption of commerce between the west coast and Hawaii. In the event that a Taft-Hartley injunction of 80 days is invoked, then the 160-day period is extended by 80 days and will not continue to run until such time as the moratorium under Taft-Hartley has expired.

It does in a way relate to Taft-Hartley in that respect. Of course, if Taft-Hartley is invoked, the conclusion is inescapable that we will not need this act in order to keep commerce between the west coast and Hawaii at its normal rate. If a Taft-Hartley moratorium is declared, of course, commerce will be returned to normal and the provisions of this act would be suspended.

Mr. HARVEY. I wish to thank the gentleman from Hawaii.

Senator FONG. Mr. Harvey, may I say that the Taft-Hartley Act has proved very ineffectual in stopping strikes involving Hawaii. While the Taft-Hartley Act has been in existence we have suffered as you have seen by our testimony.

Almost one-third of the time in the period from mid-1971 to the end of 1972 our shipping was struck and the Taft-Hartley Act did not prove effective. There are certain national emergency requirements for invocation of the Taft-Hartley Act, and even when it is invoked, there is only an 80-day cooling-off period.

If during that 80-day cooling-off period the strike is not resolved, it can resume. So Taft-Hartley alone has not proved to be effective. This bill, H.R. 7189, asks for an exemption of 160 days from strikes and lockouts.

Mr. HARVEY. Again, I thank you for that explanation. Thank you, Mr. Chairman.

Mr. JARMAN. Mr. Kuykendall?

Mr. KUYKENDALL. To the Hawaiian delegation, and Senator Fong and Mrs. Mink, it is good to have you here. Let's leave discussion of the problems of the jurisdictional situation and committee situation to the lawyers.

Is it not true that you are really asking that Hawaii be treated as any other State would be treated with only one mode of transportation?

Mrs. MINK. That is correct.

Mr. MATSUNAGA. That is correct.

Mr. KUYKENDALL. If there were another State with only one mode of transportation, that is what you are asking for?

Mrs. MINK. That is our argument, sir.

Mr. KUYKENDALL. Is it not true that when the Founding Fathers put together the Constitution and spoke of interstate commerce, they knew that a State could be literally strangled by the interruption of commerce. At that time it was possible to strangle a State as it is possible to strangle Hawaii today?

Mr. MATSUNAGA. I believe it was the purpose of the Interstate Commerce Act to prevent such strangulation of any one State.

Mr. KUYKENDALL. When this legislation was introduced, I was very pleased to see that many facets of the political and philosophical and business community in Hawaii were all supporting it.

There are some members of this committee, of course, who are afraid that these hearings are nothing but an exercise in futility. I hope that the four of you, including my down-the-street neighbor, Senator Inouye, are determined that this is not what this will be. I know this committee will give you a full hearing certainly and I fully support your legislation because I think it is in the purview of the Interstate Commerce Committee.

I do wonder why you put it at 160 days. I think it ought to be permanent because after 10 days you are not going to be any better or in worse trouble in 100 days or 150 or 300 days.

So the only thing I criticize about your legislation is why put a limit on it. Do you want to comment on that?

Mr. MATSUNAGA. No West Coast strike so far has lasted in excess of 134 days and we figured that 160 days would, if past experience means anything, take care of all future strikes.

I wish to thank the gentleman for his comments. The name "Kuykendall", actually pronounced Keye-ken-dall in Hawaii, is a very famous name and it is my understanding that the gentleman is related to the Kuykendall of anthropological and sociological fame in Hawaii.

Mr. KUYKENDALL. That branch of the family gave up and started pronouncing it the way it was spelled about 200 years ago. Our branch of the family is stubborn and has pronounced it wrong all of those years.

But seriously, I hope that this problem can be worked out in the Congress and if there is anything that I, as a member of this committee can do to help work it out, I would be happy to do so.

Mr. MATSUNAGA. Thank you very much. The fact that hearings are now being held is an indication that certainly our exercise will not be one in futility.

Mr. JARMAN. Mr. Skubitz?

Mr. SKUBITZ. I have no questions at this time, Mr. Chairman. We are pleased to have our colleagues here, and Senator Fong. We will give this measure every consideration.

Mr. JARMAN. At this point in the hearings, I will ask Mr. Matsunaga, would you care to present the following witnesses or would you want the Chair to do so?

Mr. MATSUNAGA. Yes; if we may proceed in order, I would like to present a cosponsor of the measure from Guam, Delegate Won Pat. He will be our next witness.

Mr. JARMAN. The committee will be pleased to hear from Delegate Won Pat.

STATEMENT OF HON. ANTONIO B. WON PAT, A DELEGATE TO CONGRESS FROM THE TERRITORY OF GUAM

Mr. WON PAT. Mr. Chairman and members of the committee, I would like at the outset to join the Hawaiian delegation in thanking you for making these hearings possible today.

Mr. Chairman, before I begin with my testimony, I would like to present and read a letter from the speaker of the Guam Legislature addressed to the Hon. Harley O. Staggers, the chairman of the Committee on Interstate and Foreign Commerce, if the committee has no objection.

Mr. JARMAN. The committee will be glad to hear it.

Mr. WON PAT. The letter reads:

DEAR MR. CHAIRMAN: It is with serious concern and renewed hope that I write in support of H.R. 7189, the bill to guarantee the normal flow of ocean commerce between Hawaii, Guam, Samoa, the Trust Territories of the Pacific and the West Coast of the United States. In this instance, also, I know I am speaking for the entire membership of the Twelfth Guam Legislature and, indeed, the people of Guam.

It is my understanding that from earlier testimony before your Committee, the necessity for such legislation was overwhelmingly established, and it is not my purpose to reiterate the facts of the matter. I know that you have on file statements from the Guam Chamber of Commerce and from individual merchants.

I do recall that it was the Eleventh Guam Legislature which organized the merchants into a "Strike Crisis Committee", two years ago this August. It was the legislature which adopted several resolutions in this and the predecessor body calling for legislation to protect Guam and other Pacific island communities from the crippling effects of shipping strikes.

With the negative results of the last strike so vivid in my mind, I take heart in endorsing the efforts of the United States Congress to remedy the situation. We are honored to add our support to that of the State of Hawaii and of our peers in the other Pacific islands. Please accept my best wishes for expeditious enactment and our heartfelt gratitude for your efforts to remove this dark shadow which hovers over our economic well-being, in fact over our daily subsistence.

Sincerely yours,

F. T. RAMIREZ,
Speaker, Guam Legislature.

Now, in the interest of time, Mr. Chairman, I have a 5-page testimony and I would like to have this made a part of the record and I ask unanimous consent to revise and extend my remarks.

Mr. JARMAN. The committee will be glad to receive it in full for the record.

Mr. WON PAT. I will make a very brief statement summarizing my prepared testimony. Mr. Chairman and members of the committee, Guam is not unlike Hawaii as it is an island economy depending totally on external sources for most or almost all of what it needs or what it consumes, that is, clothing, construction material, food, and so on.

As you know, Guam is the furthest and most farflung American territory, 6,500 miles from the west coast, and there are only three shipping lines that serve Guam. It is also served by three airlines.

As you are probably aware, during the strikes that have taken place in the past Guam was seriously affected since it depended upon most of its needs from the west coast. The statistics show that of the total imports in Guam on a certain date, the amount of goods imported to Guam from the mainland fell in five categories: Foodstuffs comprised 70 percent; 89 percent, beverages, and tobacco; and 90 percent, cooking oil; 80 percent of machinery; and 80 percent of building materials needed for construction.

Now, in terms of all of the imports from the United States, Guam imported 47 percent compared to other countries. In the last strike Guam had to resort to foreign countries in order to get what it could for its needs.

Guam in order to be able to withstand a strike, even a short one, will have to undergo an exorbitant procedure of resorting to air freight.

As you know, the distance is so large that it is almost prohibitive to import by air. I remember in the last strike, I communicated with Mr. Bridges about this matter, that we as Americans want, of course, to obtain all of our needs from the United States, but in the light of the strike, we find ourselves in a very difficult position. So he responded that it would be well for us to resort to foreign countries in order to get our goods.

We don't believe in that, Mr. Chairman. We as Americans have adopted the American way of life and for all of our needs we have depended on the United States and certainly we don't want to be forced to depend upon foreign countries which we don't know. We may be placed at their mercies in certain circumstances.

So for that reason, Mr. Chairman, I ask the committee to give this bill your favorable consideration.

[Mr. Won Pat's prepared statement follows:]

STATEMENT OF HON. ANTONIO B. WON PAT, A DELEGATE TO CONGRESS FROM THE TERRITORY OF GUAM

Mr. Chairman, I am pleased to have this opportunity today to present my views on H.R. 7189, the Hawaii and U.S. Pacific Surface Commerce Act of 1973, which I cosponsored with my two distinguished colleagues in the House from Hawaii, Mrs. Patsy Mink and Mr. Spark Matsunaga. Senators Daniel Inouye and Hiram Fong have introduced similar legislation in the Senate.

As you know, the purpose of our measure is to end the unfair and unnecessary stoppage of cargo to and from off-shore American areas during lengthy shipping strikes. The repeated strikes and the constant threat of continued strikes in the West Coast ports hangs like a Damocles sword over the economies of our

fellow Americans in the Pacific. Shipping is a life-line for millions of Americans living in Hawaii, Guam, American Samoa and the U.S. Trust Territory. To permit the continual and haphazard interference with shipping of even the most basic commodities from the U.S. mainland to these areas is not only unjust and demeaning to the principles of lawful commerce, but it imposes undue hardship on the residents of these areas. These innocent people are exposed to such harsh treatment, despite the fact that they have absolutely nothing whatsoever to do with the cause of the strikes, nor do they have any role in ending these labor disruptions.

Before I proceed further, however, let me state quite clearly that is is not the intent of this legislation to interfere with a duly authorized labor strike, nor do we wish to appear hostile to the vast numbers of honest, hard-working maritime workers who serve this country so well.

However, before another dock strike like the one in 1971, which lasted over four months, is thrust upon us without warning, Congress must act to safeguard off-shore Americans in the Pacific from further needless economic battering. We believe that this action may best be achieved by the legislation now before this Committee, which provides that all cargo from the West Coast ports destined for U.S. ports in the Pacific, as well as all cargo emanating from these same ports and bound for the U.S. West Coast ports, must be processed regardless of a labor disruption which may be in progress.

The need for such legislation is clear: Since World War II more than four (4) years of working time have been lost through transportation strikes affecting Guam, Hawaii, American Samoa, and the U.S. Trust Territory, in addition to the economic difficulty caused by these disruptions.

During the 1971-72 strike, for example, Guam was forced to purchase large amounts of food from foreign markets. Additionally, some supplies, such as chlorine gas (for purifying water), had to be shipped in on an emergency basis by U.S. Naval vessels. Moreover, many local residents were unemployed for various periods of time when local business firms cut back on cost to avoid bankruptcy. Construction companies were hard hit by the lack of building supplies.

As Americans, we on Guam rely heavily on U.S. supplies to maintain our standard of living. So do the over 20,000 military personnel who are stationed on Guam. They and the local population are not satisfied with less than the best—and that means food and other items made only in the U.S.

In order to assure that the consumer on Guam can obtain the American-made goods he wants, regardless of a strike, our merchants are forced to stockpile large amounts of their merchandise as a hedge against a possible strike. Such action, I am certain you understand, is extremely expensive. And the one who must eventually pay the bill for the luxury of stockpiling is, naturally, the consumer. But stockpiling is only a partial solution. Some items, such as perishables, cannot be purchased and stored well in advance. There is only one way in the final analysis to assure our consumers of uninterrupted service—to keep our shipping lines open.

Guam is over 8,500 miles from California. As an island with little locally-grown foodstuffs, or adequate sources of other material we need, a heavy volume of importation from the U.S. is the only way in which we can meet our needs. In 1972, for example, Guam's imports had a total of \$156.6 million. Of this total, \$63.9 million, or 47%, came from the mainland United States.

As you can see from these statistics, any long-term strike which cuts Guam and other American areas in the Pacific from our U.S. supply sources can only have serious consequences.

When a strike is in progress, what alternatives do we in the Pacific have? We can resort to air-freighting in our supplies from the mainland. This method, which we did use to some extent previously is extremely expensive and slow, as planes simply do not carry large amounts of cargo. Some critical items can perhaps be sent to us on military vessels on a "space available" basis, but the amounts would be minimal. Or, we can turn to foreign countries for our needs during the crisis.

Needless to say, Guam chose the latter alternative and drew heavily on food purchases from other Pacific areas for survival. With the recent devaluation of the dollar, foreign food sources are often no longer competitive, though, with those from the mainland. Thus, the strike-bound consumer may well find himself during the next major shipping strike with not only a limited food supply, but a budget-shattering one as well.

The problems I have just outlined are not inflated for rhetoric's sake. We on Guam want to have the same standard of living enjoyed here on the mainland. To date, we have been successful. But the threat of continued maritime strikes is not conducive to stable living conditions.

Nor does the ever-present threat of lengthy strikes serve to enhance Guam's attractiveness to mainland firms who must rely on ocean commerce to transport their goods to outlying areas. Guam is American, and we want to keep commerce with the U.S. mainland as our major economic goal. Shipping strikes, however, force us to turn for our goods, and serve to enrich the pockets of our foreign competitors, instead of our fellow Americans.

Accordingly, Mr. Chairman, I ask that this measure be given favorable consideration by the members of the Committee before Americans who have done no wrong except to rely on U.S. shipping for their supplies suffer yet another needless financial loss.

Thank you.

Mr. JARMAN. We appreciate the statement of the Delegate from Guam. Are there any questions from the subcommittee?

Mr. HARVEY. No questions.

Mr. JARMAN. Mr. Kuykendall?

Mr. KUYKENDALL. It is good to have you here. I have no questions.

Mr. JARMAN. We appreciate your helping make the record in this important subject.

Mr. WON PAT. Thank you, Mr. Chairman.

Mr. MATSUNAGA. Now, it is my pleasure, Mr. Chairman, to present to you one of the best known political figures in the State of Hawaii, the mayor of the city and county of Honolulu, the Hon. Frank F. Fasi.

Mr. JARMAN. We are very pleased to welcome Mayor Fasi to Washington to testify before this subcommittee.

STATEMENT OF HON. FRANK F. FASI, MAYOR, CITY AND COUNTY OF HONOLULU, HAWAII; ACCOMPANIED BY HON. SPARK M. MATSUNAGA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mayor FASI. I am privileged and honored to have the opportunity to testify today in favor of House bill 7189 which I regard as the single most important congressional bill affecting the people of Hawaii since statehood.

I don't think we, who have come 5,000 miles to testify for 1 day and then go on back, came here with the idea of not seeing this bill passed, Mr. Chairman.

The issue is the survival of the economy of the State of Hawaii in the face of continuing shipping stoppages. I say shipping stoppages and not shipping strikes to emphasize that the problem is not the exclusive fault of either labor or management. And it is neither the prerogative of labor nor of management that we wish to deny. I, along with this congressional delegation am for open and collective bargaining. What I am against is making the economy and the people of Hawaii the hostages, the innocent victims of a stalemate in collective bargaining that forces a prolonged disablement of our shipping lifeline.

The impact of shipping stoppages on Hawaii has been and will continue to be profound and long-range in its effect. And, it cannot be over-emphasized that these shipping stoppages are not isolated incidents which can be dealt with one at a time and then forgotten.

Unless we do something now to protect the public interest during a shipping stoppage, Hawaii will receive one crippling blow after another to its economic lifeline * * * the effect of which will be a long term loss of confidence in the viability of our State economy. And when we speak of the effect upon the economy we are not talking only about protecting the profits of the businessmen. We are talking about people, their jobs, their standard of living, and their entire quality of life—all these things that are dependent upon a well-nourished economy.

There is a saying that half a loaf is better than none.

But why should the people of Hawaii settle for a half-loaf economy when it is within the power of their government to insure the whole loaf through legislation such as House bill 7189?

Since World War II, our group of islands has been devastated by a series of shipping stoppages. Seven major strikes have closed down west coast and/or Hawaiian ports for a total of 594 days since 1946.

The first of these crippling strikes was a west coast shipboard union strike which started October 1946 and continued for 53 days. A similar strike starting in September 1948 continued for 96 days. Then came the devastating 177 day ILWU Hawaii dock strike from May 1 through October 25, 1949, the longest and most severe of all the strikes which have affected Hawaii and its people.

The fourth shipping stoppage was by the Sailors Union of the Pacific and closed ports for 66 days in 1952. Ten years later, in 1962, a west coast shipboard union strike shut down ports for 27 days. During this strike, the Governor of Hawaii declared a state of emergency after 22 days of total paralysis, and President Kennedy invoked provisions of the Taft-Hartley Act to send the seamen back to work. The matter was resolved during the imposed cooling-off period.

Two serious shipping stoppages have affected Hawaii during the past 2 years. In July 1971, the ILWU struck the Pacific Maritime Association. This strike, during which President Nixon twice invoked the Taft-Hartley injunction, lasted 134 days. And only 8 months later, in October 1972, the Masters Mates and Pilots Union struck. A union of 300 members was able to tie up the whole Pacific coast merchant fleet for 41 days, cutting off supplies for some 800,000 people in Hawaii during the critical pre-Christmas shopping season.

These shipping stoppages, totaling 594 days, have not been the only strikes to affect Hawaii since World War II. There have been more than 80 shorter or less damaging strikes which have cost over a 1,000 more lost days. Altogether, nearly 4 years time has been lost through shipping stoppages affecting Hawaii since 1946.

Perhaps this figure does not sound as astonishing, as amazing, to you as it does to me. Let me, therefore, describe to you how dependent Hawaii is on surface shipping so you will understand the need for Federal legislation at the earliest possible moment.

Because of its geographical location in the middle of the Pacific Ocean, over 2,000 miles from the nearest port, Hawaii can be reached only by ship or airplane unless you are a strong swimmer. Shipping is the only means of surface transportation and the only economical means of bringing in most items. The cost of air freight, up to the times the per-ton cost of surface shipping, makes this type of transportation feasible in only a relatively few situations.

For all practical purposes, Hawaii's umbilical cord to the rest of the world is surface shipping. Cut off or squeeze this lifeline and Hawaii will wither. This is a cruel, unjust and unnecessary blow to 800,000 innocent bystanders.

The State of Hawaii presently depends on average of 18 scheduled cargo vessels and 5 barges a month for almost every type of product necessary to modern living. In the opposite direction, these ships and barges carry our agricultural products to mainland markets.

In the short run we feel the lack of shipping from the west coast to Hawaii immediately. In the long run, the inability to ship and sell our products is even more damaging since our mainland customers are tempted to turn to more reliable suppliers and their business is lost to us forever.

In addition to scheduled carriers, it is true that Hawaii plays host to numerous other ships, including cruise ships, unscheduled cargo ships, petroleum carriers, military vessels and other freighters which stop in Hawaii but do not discharge cargoes. Whether these unscheduled ships are operating is of some consequence—especially the petroleum carriers—but in the history of west coast—Hawaii shipping stoppages, these tramp steamers have not deeply affected the economy or welfare of the State of Hawaii one way or the other.

Given this background, it is easy to understand the drastic and often disastrous effects of shipping stoppages on Hawaii. Let me restate what one of Hawaii's leading economists, Dr. Thomas Hitch, said to us about Hawaii's prolonged shipping problems:

During past maritime strikes of 2 months or longer, the effects locally have been a slowdown in construction; increase in unemployment and underemployment; declines in total personal income, retail trade and tourist arrivals; price increases and business failures.

Thus, it takes a stoppage of only 2 months before the disastrous pattern of unemployment and business failure becomes acute.

Naturally, Hawaii's business community is the first segment of the population to be hit when a shipping stoppage occurs. During the 1971-72 strike, local merchants suffered sales declines ranging from 17 to 30 percent, with the drop in profits even more marked because of extra inventory and transportation costs. Large businesses survived but many smaller ones failed because they could not afford warehouse space to stockpile goods or the increased cost of air transportation.

Every index of the economy shows the effect of these shipping stoppages. During the 1971-72 strike, a marked decrease in Hawaii's general fund tax collections indicated the damage incurred by our businessmen. In the fiscal year ending June 1971, just before the strike began, State tax revenues had increased 9 percent. During the next 5 months, during the strike and shortly afterward, tax revenues increased only 2.8 percent. This is a 6.2-percent drop in tax revenues. And the fiscal year ending June 1972 showed only a 4.4-percent increase, half the previous year's gains.

Unemployment is another economic index which reflects the impact of shipping stoppages. During the 1971-72 strike, Hawaii experienced its second worst spell of unemployment in modern history—the worst had occurred during the 177-day strike of 1949. In July 1971, the number of unemployed in the State of Hawaii was at a rate of 5 percent. By November 1971, after the strike had been in effect 100

days, more than 23,000 workers were unemployed, a rate of 6.3 percent. By February 1972 when the strike had resumed, the rate of unemployment had risen to 6.5 percent. This was the first time since 1956 that Hawaii's unemployment rate exceeded the national average. Even these alarming figures do not tell the whole story—that many people were forced to work a reduced workweek. They of course do not show up on the unemployment rolls, but their take-home pay was cut by as much as half—at a time when prices were steadily rising because of the strike.

Indeed, the effects of shipping stoppages are felt not only by our businessmen, but by every person living in Hawaii. The consumer and food price index is compiled by the U.S. Department of Labor, Bureau of Labor Statistics, attest to the impact of these strikes on Hawaii's consumer prices. During the months of June through October 1971, Honolulu's food prices rose 4½ percent, while nationwide food prices were declining three-tenths of 1 percent during that same period due to the wage-price freeze which began in August. The average family in Hawaii was paying 72 cents for a head of lettuce and \$2.28 for 10 pounds of potatoes, more than twice the mainland cost for these and other staple food items.

I cannot impress upon you strongly enough the importance which I attach to the problem. During the 100-plus day shipping stoppage I flew to San Francisco for talks with both sides in the dispute.

I presented the plight of our people both to Harry Bridges of the ILWU and to Ed Flynn of the PMA. Both these men admitted to me that the people of Hawaii were unfairly being held hostage in their dispute. Both agreed that less than a dozen ships would suffice to provide the minimum needs of Hawaii and keep our State from facing economic disaster. Less than a dozen ships, gentlemen, and a tieup of west coast docks will normally idle as many as 200 vessels in west coast ports.

I think Mr. Flynn summed up the attitude of both sides in the dispute fairly succinctly. He shrugged his shoulders and he said "It's just one of those things." Well, gentlemen, as mayor of the city and county of Honolulu, in which resides 83 percent of the entire population of the State of Hawaii, that is not a good enough answer for me or the people I serve. Our people are entitled to protection from these stoppages, and if it is humanly possible for me to do so, I aim to see that they get it.

In conclusion, gentlemen, I ask as others have done, to use your imagination for a moment. Visualize an impenetrable wall built around the city of Washington. No surface transportation entering or leaving the area, no cars, no buses, no trucks, no trains, no ships. Your only contact with the rest of the United States would be via air from the west coast.

If this happened to the city of Washington, how long would it take Congress to act? I am certain it would not take long. Not the years and years that Hawaii has waited. A general surface transportation strike would be unthinkable for a mainland city. Yet when Hawaii's shipping is cut off; that is exactly what happens here.

I say to you very bluntly, gentlemen, that when one of the 50 sovereign States of this Union can find itself isolated, virtually cut off from the rest of the world as was the city of Berlin in 1948, and the Govern-

ment fails to act to provide relief, then there is something wrong with the system of government under which we all live.

We are not asking for favoritism. We ask only that the Congress of the United States recognize our unique situation and grant Hawaii the same protection to its surface transportation that other United States cities and States enjoy. We are not second-class citizens and we will not stand still while we are denied equal rights and protection under the law.

Mr. Chairman and members of the committee, I deeply believe that the case for Federal legislation to protect Hawaii from shipping stoppages is a conclusive one. And in that light, I am compelled to call to your attention what I believe to be a serious deficiency in the bill as presently written.

In defining the term "interrupt normal shipping," the only reference is to stoppages occurring at west coast ports. There is no mention of stoppages occurring from the closing of Hawaii docks and we must therefore assume that dock tieups in Hawaii would not be covered by the provisions of this bill.

I think I am speaking for all the people of Hawaii when I say that it seems to make little sense to protect us from a bullet in the head while, at the same time, we are left as vulnerable as ever to a bullet in the heart.

Surely, if the intent of this measure is to protect our people from an interruption of normal shipping, Hawaii ports should be specifically included in the bill.

I can see no reason why a fair and equitable solution cannot be found to this problem. The shipping unions in Hawaii are responsible organizations headed by reasonable men—men who realize that shipping stoppages hurt their members and the families of their members just as much as the rest of the population.

I know that I speak for the people of the city and country of Honolulu and the State of Hawaii when I urge all of you to give favorable consideration to House bill 7189 at the earliest possible time. I say the earliest possible time because Hawaii has picked itself off the canvas twice in the past 2 years, and the present agreement between the ILWU and the PMA expires on June 30. Should another strike take place, our economy simply cannot hold up as well. It would take us years to recover from the next serious shipping stoppage.

I say to all of you, please don't let this happen to Hawaii again. Pass House bill 7189 and protect our lifeline.

I would like to add, I think the gentlemen of Congress and the Senate have got to be more pragmatic. As Congressman Kuykendall mentioned, you can argue the legalities of any bill but the fact remains, gentlemen, you have a sovereign State of the United States completely isolated every time you have a strike, something that would not be tolerated within any mainland State in the United States. To me this is rank discrimination and we are long overdue for congressional action to overcome the situation. Thank you very much.

Mr. JARMAN. Mr. Mayor, as I understand, H.R. 7189, it effects a strike or a lockout in a longshore or maritime industry in the State of Washington, Oregon, and California, and this legislative proposal would have no effect on a strike actually called in Hawaii; would it?

Mayor FASI. No; it wouldn't. I have discussed this with our Congressman and he indicates to me that the Governor of the State of Hawaii has the necessary legislation to act for the State of Hawaii should there be a strike in Hawaii, a local strike, that is, that would sever our connections to the rest of the world.

Mr. JARMAN. Would there be a State legislative action?

Mayor FASI. We have State legislation on the books, now, sir.

Mr. JARMAN. I understand. Mr. Harvey?

Mr. HARVEY. Thank you, Mr. Chairman. Mr. Mayor, what happens if 160 days expires, the parties still have not reached an agreement and a strike resumes?

Mayor FASI. I think we ought to go to Congress. I don't want to evade the question. I think, first I believe you invoke the Taft-Hartley Act. If it is not invoked, the Governor of the State of Hawaii has the option to petition a Federal court for the 160-day cooling-off period.

I believe that within that period of time, 99.99 percent of all disputes will be settled. I think you will find that in the cooling-off period that this has been a fact, that it takes about that long sometimes, but in very few instances would it go beyond 160 days and that is why I believe the congressional delegation picked 160 days as a target.

Mr. HARVEY. Thank you. I have no further questions, Mr. Chairman.

Mr. JARMAN. Thank you, Mayor, for a very effective testimony.

Mayor FASI. Thank you, sir.

Mr. MATSUNAGA. Mr. Chairman, the next two witnesses will be introduced by Congresswoman Mink.

STATEMENT OF HON. SHUNICHI KIMURA, MAYOR, COUNTY OF HAWAII, HAWAII: ACCOMPANIED BY HON. PATSY T. MINK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mrs MINK. Mr. Chairman, it is my privilege this morning to introduce the very distinguished mayor of the county of Hawaii, my most populous county in the Second Congressional District which I represent. The mayor, Hon. Shunichi Kimura of the Island of Hawaii represents roughly 70,000 constituents in my district, which is the largest island in the State of Hawaii. He comes to this committee with I believe, the united plea of all of the people of that county.

It is my privilege to introduce the Honorable Shunichi Kimura, mayor of the county of Hawaii.

Mr. JARMAN. We are very pleased to welcome Mayor Kimura.

Mayor KIMURA. Thank you, Mr. Chairman and distinguished members of the subcommittee.

The county of Hawaii that Mrs. Mink spoke about is a political subdivision of the State of Hawaii located in the middle of the Pacific Ocean, some 2,000 miles from the west coast of the continental United States. The current estimate of population for our island-county is 68,000.

My urgent task today is to convey to you the great importance surface transportation plays in the lives of everyone of the 68,000 county of Hawaii residents and to ask your support for legislation to insure the continuation of our lifeline which provides over 80 percent of our physical commodities processed or consumed in the State of Hawaii.

When we speak of surface transportation, we are talking specifically about shipping lines for, unlike the other 48 contiguous States, no trucks, no trains, no busses or automobiles can be used to carry interstate goods to people in Hawaii. Because we are 2,000 miles away from the closest mainland port, the utilization of air carriers is extremely costly and impossible for large bulk items. Rice is a staple as much as flour is a staple in the United States. A 100-pound bag would cost us \$20 to bring it to the State of Hawaii. Hawaii is, therefore, the most vulnerable State of all. We are encircled by a huge moat, the Pacific Ocean, and the only practical way to transport goods to and from Hawaii is by ship.

Since Hawaii is by no means self-sufficient, we depend on the continental United States for our very survival. We have become an import-export economy and through our shipping lines goods are exchanged. This kind of economy occurred by necessity rather than chance. Hawaii has practically no raw materials, no metals, no oil or coal, and the 800,000 residents of the State present an uneconomical market, a pocket market, to produce a complete range of consumer goods. This situation forces more than three out of every four physical items consumed or processed in Hawaii to be brought in from other States and overseas.

The dependence of Hawaii on shipping is crucial. All the efforts of local and State government, businesses and private citizens could not prevent the suffering of our islands' residents in past shipping tie-ups. The well-being of some 68,000 people are tied directly into this shipping lifeline and are directly affected by maritime disputes—chemicals to purify water, food, clothes, fuels, and medical supplies.

Any shipping interruptions severely depletes our essential food supplies which are obtained mostly from the mainland and forces air shipping which increases our already astronomical cost of living. All of our lamb, mutton, and turkey and 75 percent of our chicken are imported. Our local livestock and poultry industry depend on nearly all of the feed from mainland sources. We bring in 100 percent of our butter and margarine, 99 percent of our potatoes, 89 percent of the carrots, 58 percent of the lettuce, and with the exception of some corn, all of the grain.

Rice, a local staple, is entirely imported, mostly from the Sacramento area. Although we locally mill 90 percent of our flour, all of the wheat for the flour is shipped in. Baby foods, cereals, the bulk of our canned goods, cooking oils, most of the salt and many more food goods are imported. Higher prices for food, as a result of using alternate shipping routes or air carriers, create extreme difficulties to the thousands of people on small and fixed incomes.

Items such as cars, trucks, farm machinery, accessory parts and components are imported. Since there are no paper or pulp mills in Hawaii, all paper goods are also brought in from the mainland. It is estimated that 95 percent of all the lumber and almost all the plywood and veneer are shipped in. Since the State has virtually no mineral resources, all metal materials such as structural steel, pipe, wire, plumbing fixtures, sheet metal, et cetera, as well as glass and paint come from sources outside the State. Even essential medical supplies, chlorine to purify our water and other drugs are brought in.

There is no industry or individual in Hawaii who is completely free from some kind of dependence with imported goods. Although we have the good climate and land to produce some agricultural products, we are dependent on the importation of fertilizers, chemicals' feed, packing materials, and countless other items for our industry. A recent report on the strike effects from the First Hawaiian Bank put it best, "If a thing cannot be made out of lava, coral, air, water, or semitropical plants, then the chances are good that Hawaii must import it or its components."

In exchange for this tremendous volume of imported goods, our economy must export. The major export industry in our county is the growing and processing of sugar cane. This industry depends on shipping lines to export its product to the west coast for refinement and sale. In a normal year, about 1.2 million tons of raw sugar is exported to continental United States, of which a third is produced on the county of Hawaii. In addition to sugar, our county produces almost all of the State's 1.5 million pounds of macadamia nuts exported to mainland markets. Even our invisible exports, tourism, depend on importation of goods for the consumption of our mainland visitors. [Exhibit I shows the volume of goods imported and exported through our island's two ports (see p. 34).]

This complete and total dependence on surface transportation by our economy and well-being of our residents was clearly illustrated during the 134-day west coast maritime dispute in 1971-72 and the 41-day ship officers dispute in late 1972. The County of Hawaii is large in area but small in terms of population. Our 75,000 people earn their livelihood by either being involved in one of our many small businesses or as an employee of a large corporative venture such as sugar companies or hotels. These small businesses usually operate with minimum capital and any fluctuation in the economy usually affects their operations. Since we are basically a rural community, we also have many family-operated farms. When a major shipping tieup hits the islands, these smaller businesses, whose very survival depends on the supplies from the mainland, suffer losses that may take years to recoup or as experienced in the past strike, force some entrepreneurs to close and file bankruptcy.

It is disheartening to see a person struggle for years to build a business and have a maritime dispute cut off his lifeline and severely damage his business. It is clear that any restriction of normal shipping lines increases the cost of operating a business, the costs to consumers and creates hardships for workers.

During the recent strikes, we have seen businessmen frustrated in their attempts to obtain merchandise at both the retail and wholesale level. There was a shortage of commodities which ranged from paper products to cars. Construction firms and supply houses could not obtain materials to start and complete both large and small projects. Manufacturers could not get simple items such as seasonings and packaging materials and some were forced to dump products when export lines were shut off. The lack of feed, chemicals, and other supplies played havoc with farm operations. Almost every business experienced higher costs.

The county's vital sugar industry which exports its total production to the west coast was beset with problems. The dock tieup forced at least one company to fly in equipment at tremendously higher prices. Availability of storage space was a serious problem as raw sugar was literally dumped on makeshift storage areas on the docks. The inability of Hawaii's sugar companies to get their product to their mainland markets seriously hampered their competitive strength with other producing areas. The local sugar industry suffered large financial losses during the prolonged maritime dispute and this industry is in no position to afford it.

Even under normal circumstances, sugar experiences subpar rates of return. With added cost from new environmental protection regulations, rising operating costs, and increasing competition, set-backs created by dock tieup can no longer be absorbed. Gentlemen, I cannot overstress the importance of this industry to our county. There are about 4,000 workers directly employed in this industry out of a total employment of 29,000. Related jobs to this industry would account for another 4,000.

Both small and the large firms need and depend upon surface vessels for its very survival. Businesses are forced to pass on these additional costs at a time when consumers can least afford it. During the west coast tieup of 1971, consumer food prices in Hawaii rose 4.5 percent compared to a decline of 0.3 percent by the Nation as a whole. It must also be remembered that the major city of the State, Honolulu, already has one of the highest costs of living in the Nation—in some cases more than 20 percent above the U.S. average. Coupled with price increases are the layoffs which occurred as a direct result of the dock tieup. In November 1971, the County of Hawaii's unemployment rate rose to a high of 7 percent, the highest since the year 1950.

The County of Hawaii did everything possible to alleviate the impact of the shipping tieup. We declared a limited state of emergency so that county storage space could be utilized by private industry. Our civil defense agency began monitoring food and medical supplies [Exhibit II (see p. 44)] while the Department of Research and Development conducted surveys of businesses [Exhibit III (see p. 90)]. The county assisted in the State emergency loan program for the hardest hit small businesses [Exhibit IV (see p. 114)]. We coordinated the Big Island's allocation of supplies which were brought in by a State chartered ship. This ship brought in emergency supplies of food and animal feed. Because of the wage-price freeze in 1971, private entrepreneurs were forced to absorb added costs of air freight, alternative shipping lines, storage space, and additional finance charges.

The consumer suffered by being forced to pay higher prices and was forced to ration or stockpile some of his basic necessities. Entire construction jobs were halted because one subcontractor could not get his necessary supplies to complete his work. Despite employers' extended vacations, make-work products and shorter hours, the day strike in 1971 resulted in over 300 layoffs in our industry. In addition, the estimated layoffs involved several hundred additional workers. These numbers do not represent a large figure compared to other problems, it is critical to a county of our size.

To illustrate the very meaning of the term "lifeline," we have attached in Exhibit V [see p. 118], letters from a cross-section of organizations which further attest to the almost total dependence on surface transportation.

The efforts of all levels of Hawaii's government and its people could not and cannot offset the effects of the past and future shipping tieups. It is clear to me that efforts on the part of our local and State government cannot overcome the problems and hardships which interstate maritime disputes create in Hawaii. This is why we plead with you to enact Federal legislation to provide the continuation of our lifeline during maritime disputes.

I, therefore, strongly support and plead for legislation such as this Surface Commerce Protection Act of 1973 which would create a Federal procedure to protect and maintain our very lifeline. Thank you very much.

Mrs. MINK. Mr. Chairman, I would ask unanimous consent that the exhibits that Mayor Kimura has brought to this committee be inserted in the record.

Mr. JARMAN. The committee will be glad to receive the exhibits referred to for the record.

[Testimony resumes on p. 164.]

[The exhibits to Mr. Kimura's prepared statement follow:]

EXHIBIT I

TABLE 1 FREIGHT TRAFFIC,

Hilo Harbor, Hawaii, 1968

Domestic
(Short Tons)

| COMMODITY | INTERSTATE | | | INTRASTATE | |
|-------------------------------|------------|----------|-----------|------------|-----------|
| | TOTAL | RECEIPTS | SHIPMENTS | RECEIPTS | SHIPMENTS |
| TOTAL | 987,099 | 191,631 | 386,658 | 287,608 | 121,202 |
| RICE | 3,856 | 507 | - | 3,349 | - |
| SOYBEANS | 61 | 61 | - | - | - |
| HAY AND FODDER | 1 | 1 | - | - | - |
| FIELD CROPS, NEC | 25 | 7 | - | 17 | 1 |
| FRESH FRUITS AND TREE NUTS | 1,295 | 94 | 1 | 1,188 | 12 |
| COFFEE | 1,428 | 22 | 110 | 138 | 1,158 |
| FRESH AND FROZEN VEGETABLES | 18,404 | 213 | 7 | 1,418 | 16,766 |
| LIVE ANIMALS | 1,297 | 30 | 53 | 68 | 1,146 |
| MISCELLANEOUS FARM PRODUCTS | 17 | - | 1 | 2 | 14 |
| FOREST PRODUCTS, NEC | 88 | - | - | 13 | 75 |
| FRESH FISH, EXCEPT SHELLFISH | 96 | 9 | - | 86 | 1 |
| NONFERROUS ORES, CONCENT, NEC | 1 | 1 | - | - | - |
| CLAY | 20 | 20 | - | - | - |
| PHOSPHATE ROCK | 4,238 | 606 | - | 3,568 | 64 |
| SALT | 429 | 29 | - | 400 | - |
| GYPNUM, CRUDE AND PLASTERS | 42 | 11 | - | 31 | - |
| NONMETALLIC MINERALS, NEC | 441 | 20 | - | 421 | - |
| MEAT, FRESH, CHILLED, FROZEN | 1,271 | 79 | - | 1,192 | - |
| MEAT AND PRODUCTS, NEC | 14 | 3 | - | 11 | - |
| ANIMAL BY-PRODUCTS, NEC | 66 | - | 4 | - | 62 |
| DAIRY PRODUCTS, NEC | 4,145 | 117 | 20 | 3,738 | 270 |
| FISH AND SHELLFISH, PREPARED | 32 | 32 | - | - | - |
| VEGETABLES AND PREP, NEC | 1,791 | 598 | 18 | 1,110 | 65 |
| PREP FRUIT AND VEG JUICE, NEC | 943 | 302 | 7 | 593 | 41 |
| WHEAT FLOUR AND SEMOLINA | 65 | 55 | - | 10 | - |
| PREPARED ANIMAL FEEDS | 14,347 | 1,121 | - | 13,156 | 70 |
| GRAIN MILL PRODUCTS, NEC | 108 | 21 | - | 87 | - |
| SUGAR | 290,558 | 13 | 287,956 | 1,652 | 937 |
| MOLASSES | 130,302 | - | 97,881 | 2,538 | 29,883 |
| ALCOHOLIC BEVERAGES | 1,426 | 210 | - | 1,216 | - |
| VEGETABLE OILS, MARG, SHORT | 241 | 40 | - | 201 | - |

SOURCE: DEPARTMENT OF THE ARMY
 LOWER MISSISSIPPI VALLEY DIVISION
 CORPS OF ENGINEERS
 WATERBORNE COMMERCE STATISTICS CENTER, January 1970

TABLE 1 FREIGHT TRAFFIC,

Hilo Harbor, Hawaii, 1968

Domestic

(Short Tons)
(contd.)

| COMMODITY | INTERSTATE | | | INTRASTATE | |
|-------------------------------|------------|----------|-----------|------------|-----------|
| | TOTAL | RECEIPTS | SHIPMENTS | RECEIPTS | SHIPMENTS |
| GROCERIES | 1,741 | 172 | 3 | 1,450 | 116 |
| MISCELLANEOUS FOOD PRODUCTS | 2,366 | 217 | 164 | 1,414 | 571 |
| BASIC TEXTILE PRODUCTS | 67 | 28 | 1 | 37 | 1 |
| TEXTILE FIBERS, NEC | 1 | 1 | - | - | - |
| APPAREL | 26 | 4 | - | 21 | 1 |
| LOGS | 2 | - | - | - | 2 |
| TIMBER, POSTS, POLES, PILING | 651 | 651 | - | - | - |
| LUMBER | 12,488 | 401 | 257 | 7,051 | 4,779 |
| VENEER, PLYWOOD, WORKED WOOD | 166 | 36 | - | 130 | - |
| WOOD MANUFACTURERS, NEC | 395 | 141 | - | 254 | - |
| FURNITURE AND FIXTURES | 433 | 83 | 4 | 291 | 55 |
| STANDARD NEWSPRINT PAPER | 16 | 16 | - | - | - |
| PAPER AND PAPERBOARD | 764 | 40 | - | 667 | 57 |
| PULP AND PAPER PRODUCTS, NEC | 1,409 | 229 | - | 1,169 | 11 |
| PRINTED MATTER | 13 | - | - | 13 | - |
| BASIC CHEMICALS AND PROD, NEC | 1,022 | 279 | - | 741 | 2 |
| DRUGS | 37 | 3 | 8 | 26 | - |
| SOAP | 1,029 | 161 | - | 850 | 18 |
| PAINTS | 302 | 53 | - | 248 | 1 |
| NITROGENOUS FERTILIZER, MFD | 22,532 | 18,663 | - | 3,869 | - |
| POTASSIC FERTILIZER MATERIALS | 19,165 | 19,165 | - | - | - |
| SUPERPHOSPHATE | 3,296 | 3,296 | - | - | - |
| INSECTICIDES, DISINFECTANTS | 568 | 147 | - | 417 | 4 |
| FERTILIZER AND MATERIALS, NEC | 14,820 | 12,573 | - | 2,225 | 22 |
| MISCELLANEOUS CHEMICAL PROD | 1,100 | 313 | - | 786 | 1 |
| GASOLINE | 62,037 | 35,848 | - | 26,189 | - |
| JET FUEL | 4,929 | - | - | 4,929 | - |
| KEROSENE | 44,856 | 23,218 | - | 21,638 | - |
| DISTILLATE FUEL OIL | 41,844 | 23,346 | - | 18,498 | - |
| RESIDUAL FUEL OIL | 54,905 | 35,471 | - | 11,744 | 7,690 |
| LUBRICATING OILS AND GREASES | 801 | 19 | - | 775 | 7 |
| NAPHTHA, PETROLEUM SOLVENTS | 652 | 652 | - | - | - |
| ASPHALT TAR, AND PITCHES | 4,123 | 4,123 | - | - | - |
| LIQUIFIED GASES | 327 | - | - | 327 | - |

SOURCE: DEPARTMENT OF THE ARMY
LOWER MISSISSIPPI VALLEY DIVISION
COMPS OF ENGINEERS
WATERBORNE COMMERCE STATISTICS CENTER, January 1970

TABLE 1 FREIGHT TRAFFIC,

Hilo Harbor, Hawaii, 1968

Domestic

(SHORT TONS)
(contd.)

| COMMODITY | TOTAL | INTERSTATE | | INTRASTATE | |
|-------------------------------|---------|------------|-----------|------------|-----------|
| | | RECEIPTS | SHIPMENTS | RECEIPTS | SHIPMENTS |
| ASPHALT BUILDING MATERIALS | 1,468 | 173 | - | 1,290 | 5 |
| PETROLEUM AND COAL PROD, NEC | 1,010 | 30 | - | 975 | 5 |
| RUBBER AND MISC PLASTICS PROD | 325 | 24 | - | 294 | 7 |
| LEATHER AND LEATHER PRODUCTS | 14 | 4 | - | 10 | - |
| GLASS AND GLASS PRODUCTS | 1,000 | 99 | - | 890 | 11 |
| BUILDING CEMENT | 13,983 | - | - | 13,983 | - |
| STRUCTURAL CLAY PRODUCTS | 240 | 64 | - | 176 | - |
| CUT STONE AND STONE PRODUCTS | 235 | 22 | - | 213 | - |
| MISC NONMETALLIC MINERAL PROD | 86 | 86 | - | - | - |
| IRON AND STEEL PRIMARY FORMS | 119 | 45 | - | 69 | 5 |
| IRON, STEEL SHAPES, EXC SHEET | 721 | 491 | - | 230 | - |
| IRON AND STEEL PLATES, SHEETS | 1,041 | 884 | - | 157 | - |
| IRON AND STEEL PIPE AND TUBE | 2,854 | 2,435 | - | 413 | 6 |
| IRON AND STEEL PRODUCTS, NEC | 198 | 8 | - | 190 | - |
| NONFERROUS METALS, NEC | 34 | 7 | - | 26 | 1 |
| COPPER ALLOYS, UNWORKED | 1 | 1 | - | - | - |
| LEAD AND ZINC, UNWORKED | 6 | 5 | - | - | 1 |
| ALUMINUM AND ALLOYS, UNWORKED | 61 | 61 | - | - | - |
| FABRICATED METAL PRODUCTS | 51,926 | 637 | 17 | 19,960 | 31,312 |
| MACHINERY, EXCEPT ELECTRICAL | 10,044 | 917 | 19 | 6,123 | 2,985 |
| ELECTRICAL MACH AND EQUIP | 732 | 149 | 5 | 574 | 4 |
| MOTOR VEHICLES, PARTS, EQUIP | 15,881 | 1,070 | 37 | 11,362 | 3,412 |
| AIRCRAFT AND PARTS | 33 | - | - | 15 | 18 |
| SHIPS AND BOATS | 32 | 32 | - | - | - |
| MISC TRANSPORTATION EQUIPMENT | 30 | 16 | - | 14 | - |
| MISC MANUFACTURED PRODUCTS | 625 | 62 | 11 | 502 | 50 |
| IRON AND STEEL SCRAP | 379 | - | 50 | - | 329 |
| NONFERROUS METAL SCRAP | 14 | 1 | 13 | - | - |
| COMMODITIES, NEC | 108,076 | 737 | 11 | 88,180 | 19,148 |

SOURCE: DEPARTMENT OF THE ARMY
 LOWER MISSISSIPPI VALLEY DIVISION
 CORPS OF ENGINEERS
 WATERBORNE COMMERCE STATISTICS CENTER, January 1970

TABLE 2 FREIGHT TRAFFIC,

Kawaihae Harbor, Hawaii 1968

Domestic

(Short Tons)

| COMMODITY | TOTAL | INTERSTATE | | INTRASTATE | |
|-------------------------------|---------|------------|-----------|------------|-----------|
| | | RECEIPTS | SHIPMENTS | RECEIPTS | SHIPMENTS |
| TOTAL | 342,602 | 16,640 | 187,065 | 51,785 | 87,112 |
| CORN | 1,778 | 1,778 | - | - | - |
| FRESH AND FROZEN VEGETABLES | 18,488 | - | - | - | 18,488 |
| LIVE ANIMALS | 10,992 | - | - | 393 | 10,599 |
| SAND, GRAVEL, CRUSHED ROCK | 21,782 | - | - | - | 21,782 |
| PHOSPHATE ROCK | 771 | - | - | 771 | - |
| PREPARED ANIMAL FEEDS | 3,742 | 1,652 | - | 2,078 | 12 |
| SUGAR | 153,683 | - | 153,683 | - | - |
| MOLASSES | 36,009 | - | 33,382 | - | 2,627 |
| LUMBER | 1,226 | - | - | 1,222 | 4 |
| BASIC CHEMICALS AND PROD, NEC | 643 | 643 | - | - | - |
| POTASSIC FERTILIZER MATERIALS | 2,342 | 2,342 | - | - | - |
| MISCELLANEOUS CHEMICAL PROD | 124 | 87 | - | 37 | - |
| GASOLINE | 10,546 | 1,830 | - | 8,716 | - |
| KEROSENE | 2,227 | - | - | 2,227 | - |
| DISTILLATE FUEL OIL | 7,583 | 5,496 | - | 2,087 | - |
| RESIDUAL FUEL OIL | 2,564 | 2,564 | - | - | - |
| LUBRICATING OILS AND GREASES | 36 | - | - | 36 | - |
| NAPHTHA, PETROLEUM SOLVENTS | 248 | 248 | - | - | - |
| BUILDING CEMENT | 6,140 | - | - | 6,139 | 1 |
| SLAG | 4,041 | - | - | - | 4,041 |
| FABRICATED METAL PRODUCTS | 13,076 | - | - | 5,570 | 7,506 |
| MACHINERY, EXCEPT ELECTRICAL | 3,613 | - | - | 1,955 | 1,658 |
| MOTOR VEHICLES, PARTS, EQUIP | 1,873 | - | - | 1,147 | 726 |
| COMMODITIES, NEC | 39,075 | - | - | 19,407 | 19,668 |

SOURCE: DEPARTMENT OF THE ARMY
 LOWER MISSISSIPPI VALLEY DIVISION
 CORPS OF ENGINEERS
 WATERBORNE COMMERCE STATISTICS CENTER, January 1970

TABLE 3 - FREIGHT TRAFFIC, INTERSTATE

Hilo Harbor, Hawaii, 1970

Domestic
(In Short Tons)

| | <u>TOTAL</u> | <u>RECEIPTS</u> | <u>SHIPMENTS</u> |
|--------------------------------|--------------|-----------------|------------------|
| TOTAL | 1,141,163 | 716,000 | 411,586 |
| Rice | | 3,680 | |
| Fresh Fruits & Nuts | | 2,376 | 4,634 |
| Coffee | | 178 | 648 |
| Fresh Frozen Vegetables | | 3,544 | 12,388 |
| Live Animals | | 48 | 2,737 |
| Fresh Fish | | 202 | |
| Salt | | 351 | |
| Meat, Fresh Chilled, Frozen | | 3,005 | 249 |
| Dairy Products | | 1,294 | 349 |
| Vegetables and Prep | | 2,698 | 126 |
| Prepared Fruits & Veg | | 2,012 | 4,458 |
| Prepared Animal Feeds | | 21,763 | 167 |
| Sugar | | 1,655 | 218,048 |
| Molasses | | 997 | 115,366 |
| Alcoholic Beverages | | 1,697 | |
| Vegetable Oil, Margarine | | 644 | 1 |
| Groceries | | 3,512 | 49 |
| Miscellaneous Food Products | | 1,397 | 1,137 |
| Lumber | | 9,825 | 1,204 |
| Veneer, Plywood, Worked Wood | | 1,180 | |
| Wood Manufacturers | | 844 | |
| Paper and Paperboard | | 718 | |
| Pulp and Paper Products | | 1,546 | |
| Basic Chemicals and Products | | 2,258 | 6 |
| Soap | | 1,100 | |
| Paint | | 607 | |
| Nitrogen Chemical Fertilizers | | 5,609 | 114 |
| Potassium Chemical Fertilizers | | 4,512 | |
| Fertilizer and Materials | | 41,238 | |
| Gasoline | | 89,394 | 12 |
| Jet Fuel | | 2,050 | |
| Kerosene | | 53,233 | |
| Distillate Fuel Oil | | 48,377 | |
| Residual Fuel Oil | | 116,545 | 1,057 |

TABLE 3 - FREIGHT TRAFFIC, INTERSTATE
(Continued)

| | <u>TOTAL</u> | <u>RECEIPTS</u> | <u>SHIPMENTS</u> |
|-------------------------------------|--------------|-----------------|------------------|
| Lubricating Oils and Greases | | 1,353 | 9 |
| Naphtha, Petroleum Solvents | | 2,144 | |
| Asphalt Tar, and Pitches | | 9,960 | |
| Liquefied Gases | | 7,106 | |
| Asphalt Building Materials | | 5,468 | 79 |
| Petroleum and Coal Products | | 1,536 | 39 |
| Glass and Glass Products | | 1,405 | |
| Building Cement | 35,502 | | 5 |
| Iron and Steel Shapes | | 780 | |
| Iron, Steel Pipe and Tubes | | 2,849 | |
| Fabricated Metal Products | | 24,044 | 4,469 |
| Machinery, except Electrical | | 12,313 | 3,629 |
| Electrical Machinery & Equipment | | 1,097 | 3 |
| Motor Vehicles, Parts, Equipment | | 16,619 | 3,695 |
| Miscellaneous Manufactured Products | | 3,295 | 270 |
| Commodities | | 155,802 | 19,221 |

TABLE 4 - FREIGHT TRAFFIC, INTERSTATE

Kawaihae Harbor, Hawaii, 1970

Domestic
(In Short Tons)

| | <u>TOTAL</u> | <u>RECEIPTS</u> | <u>SHIPMENTS</u> |
|----------------------------------|----------------|-----------------|------------------|
| TOTAL | 329,425 | 115,938 | 213,475 |
| Fresh Fruits & Nuts | | 369 | 4,732 |
| Fresh & Frozen Vegetables | | 158 | 14,757 |
| Live Animals | | 567 | 12,081 |
| Sand, Gravel, Crushed Rock | | 42 | 50,204 |
| Sugar | | | 79,914 |
| Molasses | | | 24,743 |
| Lumber | | 3,683 | 49 |
| Basic Chemicals and Products | | 9,884 | |
| Gasoline | | 17,227 | |
| Kerosene | | 2,745 | |
| Distillate Fuel Oil | | 16,791 | |
| Building Cement | | 8,475 | 72 |
| Fabricated Metal Products | | 4,273 | 9,242 |
| Machinery, except Electrical | | 7,688 | 2,775 |
| Motor Vehicles, Parts, Equipment | | 3,095 | 1,546 |
| Commodities | | 35,689 | 13,348 |

TABLE 5 - FREIGHT TRAFFIC, INTERSTATE

Hilo Harbor, Hawaii, 1971

Domestic
(In Short Tons)

| | <u>TOTAL</u> | <u>RECEIPTS</u> (Imports) | <u>SHIPMENTS</u> (Exports) |
|--------------------------------|--------------|------------------------------|-------------------------------|
| TOTAL | 1,064,384 | 630,368 | 389,865 |
| Rice | | 4,216 | |
| Fresh Fruits & Nuts | | 2,865 | 2,320 |
| Coffee | | 194 | 1,409 |
| Fresh Frozen Vegetables | | 3,230 | 6,125 |
| Live Animals | | 72 | 2,333 |
| Fresh Fish | | 184 | |
| Salt | | 488 | |
| Meat, Fresh Chilled, Frozen | | 2,721 | 162 |
| Dairy Products | | 562 | 214 |
| Vegetables and Prep | | 2,702 | 72 |
| Prepared Fruits and Veg | | 1,651 | 192 |
| Prepared Animal Feeds | | 19,723 | 113 |
| Sugar | | 1,814 | 197,605 |
| Molasses | | 1,153 | 75,612 |
| Alcoholic Beverages | | 2,281 | |
| Vegetable Oil, Margarine | | 675 | |
| Groceries | | 2,889 | 38 |
| Miscellaneous Food Products | | 897 | 914 |
| Lumber | | 27,723 | 870 |
| Veneer, Plywood, Worked Wood | | 677 | |
| Wood Manufacturers | | 421 | |
| Paper and Paperboard | | 546 | |
| Pulp and Paper Products | | 1,157 | |
| Basic Chemicals and Products | | 2,575 | |
| Soap | | 873 | |
| Paint | | 785 | |
| Nitrogen Chemical Fertilizers | | 5,909 | 20 |
| Potassium Chemical Fertilizers | | -- | -- |
| Fertilizer and Materials | | 20,308 | |
| Gasoline | | 59,224 | |
| Jet Fuel | | -- | -- |
| Kerosene | | 65,952 | |
| Distillate Fuel Oil | | 30,617 | 5,331 |
| Residual Fuel Oil | | 104,300 | 927 |

TABLE 5 - FREIGHT TRAFFIC, INTERSTATE
(Continued)

| | <u>TOTAL</u> | <u>RECEIPTS</u> (Imports) | <u>SHIPMENTS</u> (Exports) |
|-------------------------------------|--------------|------------------------------|-------------------------------|
| Lubricating Oils and Greases | | 2,189 | 31 |
| Naphtha, Petroleum Solvents | | 1,774 | |
| Asphalt Tar, and Pitches | | 2,902 | |
| Liquefied Gases | | 9,570 | |
| Asphalt Building Materials | | 4,666 | 108 |
| Petroleum and Coal Products | | 1,185 | |
| Glass and Glass Products | | 246 | 1 |
| Building Cement | | 29,525 | 2 |
| Iron and Steel Shapes | | 279 | |
| Iron, Steel Pipe and Tubes | | (all foreign) | |
| Fabricated Metal Products | | 13,016 | 27,349 |
| Machinery, except Electrical | | 13,664 | 5,300 |
| Electrical Machinery & Equipment | | 596 | |
| Motor Vehicles, Parts, Equipment | | 14,754 | 39,642 |
| Miscellaneous Manufactured Products | | 2,939 | 222 |
| Commodities | | 158,871 | 22,550 |

TABLE 6 - FREIGHT TRAFFIC, INTERSTATE

Kawaihae Harbor, Hawaii, 1971

Domestic
(In Short Tons)

| | <u>TOTAL</u> | <u>RECEIPTS</u> | <u>SHIPMENTS</u> |
|----------------------------------|--------------|-----------------|------------------|
| TOTAL | 355,546 | 92,821 | 262,655 |
| Fresh Fruits & Nuts | | 139 | 3,740 |
| Fresh & Frozen Vegetables | | 256 | 11,197 |
| Live Animals | | 848 | 11,715 |
| Sand, Gravel, Crushed Rock | | 3 | 22,579 |
| Sugar | | | 180,389 |
| Molasses | | | 15,631 |
| Lumber | | 2,634 | 99 |
| Basic Chemicals and Products | | 2,540 | |
| Gasoline | | 17,132 | |
| Kerosene | | 4,792 | |
| Distillate Fuel Oil | | 5,971 | |
| Building Cement | | 6,001 | |
| Fabricated Metal Products | | 3,584 | 8,192 |
| Machinery, except Electrical | | 3,505 | 3,322 |
| Motor Vehicles, Parts, Equipment | | 2,574 | 1,154 |
| Commodities | | 26,582 | 4,631 |

EXHIBIT II

HAWAII COUNTY CIVIL DEFENSE AGENCY

MEETING
FOOD SECTION
EMERGENCY RESOURCE MANAGEMENT COMMITTEE
JULY 8, 1971

A meeting of the Food Section of the Emergency Resource Management Committee was held on July 8, 1971, at 12:20 p.m. at the Hilo Hotel. Mr. Myron O. Isherwood, Sr., Civil Defense Administrator, presided.

Those present were:

Mr. Toshio Maeda, Suisan Company, Ltd.
Mr. George Abe, Hawaii Island Chamber of Commerce
Mr. Eugene Sung, Hilo Foodland
Mr. Tom Okuyama, Sure Save Super Markets, Ltd.
Mr. Shunichi Hatada, Hatada & Robert's Bakeries, Inc.
Mr. Lloyd Sadamoto, Dept. of Research & Development, County of Hawaii
Mr. Paul Douglass, Watson Navigation Company
Mr. Susumu Hata, Y. Hata & Company, Ltd.
Mr. Eihiro Kaneshiro, Food Fair Super Market
Mr. George Matsumura, Taniguchi Super Markets
Mr. Myron O. Isherwood, Sr., HCDA
Mr. Sunny Kim, HCDA

The meeting was called due to the present shipping strike. This meeting has been cleared with the Mayor and will not be publicized at all.

One of the plans under Civil Defense is to provide for the recovery of a community after a nuclear attack and to provide for such a possibility, plans for the organization of the Emergency Resource Management Committee were started several years ago. This committee, originally organized by the Rotary Club, is comprised of Messrs. Kaneshiro, Okuyama, Hata, Manuel Lucas (Savemore) and Frank Nagao (now retired). The last time the committee was activated was during the potential shipping strike in 1965.

In the event of a nuclear attack, we would be contacting all business firms in the County; however, since this survey will be a broad estimate only, we eliminated the smaller stores and contacted only the larger ones. What we are interested in now is an estimate on how long the food staples and basic sanitation supplies in the County will last.

Since we cannot determine how long the strike will last, Mr. Isherwood prepared a draft of an Emergency Food Inventory Form for purposes of getting a general preview of the present situation on the island. He went over the form which he circulated and asked the group for comments on it.

Mr. Kaneshiro suggested contacting Hilo Meat for an inventory on fresh meats. Mr. Isherwood stated that they have been contacted. Mr. Kaneshiro added that his firm carries a supply of two or three days of fresh meat at the most.

As the group felt that a week's time would be sufficient to fill out the form, Mr. Isherwood said that he would have it mimeographed this afternoon and mail it out tomorrow. This would be strictly in the nature of a confidential survey. We will just compile the information and will not release it to anyone. We are just interested in totals.

Mr. Douglass stated that the Hawaiian Princess is due here next Monday which appears to be the last of the mainland freight to be arriving in the islands. After that, nothing is in sight. Since he was on vacation all week, he did not really know how much goods were coming in for this island but he said it would probably be a smaller than normal arrival.

Should the strike continue, even if there is an increase in the cost to the customer, goods can be brought in by air.

Mr. Douglas said that Eastern and Gulf ports are not affected and also frozen meats from New Zealand. These come in to Honolulu and are barged over.

Mr. Isherwood said that the State Civil Defense office has an organization on Oahu similar to what we have here although he has not heard anything official from State CD about a food survey being taken there. However, he gathered from the newspapers that a survey had been made.

If anyone should ask, Mr. Kaneshiro suggested telling them that the situation is fine and that there are ample supplies. Mr. Isherwood said should he be asked, he would inform them that the merchants are aware of the situation and that they are doing whatever they can at the present time. Mr. Kaneshiro added that if we frighten the people, then the rush will start and the people will tend to hoard. Right now there is no run for rice. With the amount of rice that has already come in, there is about three months' supply on this island.

Mr. Isherwood stated that there is not enough beef produced locally to meet our normal demands but if we do not ship it some other place, there could be enough. Pork may be in the same situation. We do get frozen lamb from Australia and New Zealand. He asked the group whether the fresh and frozen meats should be included in the inventory since he was thinking of World War II when there was no shipping within the islands.

Mr. Maeda thought that the meats should be included in the inventory as 50 percent of the beef in Honolulu come in from the outside.

Mr. Isherwood said under the category "Fresh and Frozen Meats" on the inventory form, he would specify "Poultry," "Lamb," "Pork," and "Beef."

There were no other suggestions and the form was acceptable to the group.

Mr. Isherwood stated that he checked on petroleum products this morning and there is about three months' supply of packaged goods which would normally come in through Matson. The oil companies have their own tankers that bring in their bulk supplies. They could bring in their packaged goods in their own tankers but they prefer not to. Thus, that aspect of the situation is under control, too.

Mr. Douglass commented that throughout this island and other islands, C and H has done a terrific job of getting their sugar moved out so that sugar and molasses storage can keep going for a long time.

Another meeting will be held shortly after the first of August if the strike is not over by then.

Civil Defense will contact those who were not able to attend and will explain what transpired at this meeting and will ask them for their kokua in filling out the inventory form.

In closing, Mr. Isherwood stated that like most other Civil Defense matters, he hopes that we will not have to use this information.

The meeting adjourned at 1:20 p.m.

mk

APPROVED:

M. O. Isherwood, Sr.

M. O. ISHERWOOD, SR.
CD Administrator

COPIES SENT TO:

Mr. Garry Ichino
Pick and Pay
Hilo Shopping Center
Hilo, Hawaii 96720

Mr. George Inouye
Veterans' Produce Exchange
70 Winoole Street
Hilo, Hawaii 96720

Mr. Ralph Kidani
Fred L. Waldron, Ltd.
424 Kanoolehua Avenue
Hilo, Hawaii 96720

Mr. Teruo Togashi
Brewery Industries, Ltd.
45 Omao Street
Hilo, Hawaii 96720

Mr. Bill Richardson
Safeway
333 Kilauea Avenue
Hilo, Hawaii 96720

Mr. Eugene Sung
Hilo Foodland
250 Kionoole Street
Hilo, Hawaii 96720

Mr. Tom Okuyama
Sure Save Super Markets, Ltd.
777 Kilauea Avenue
Hilo, Hawaii 96720

Mr. Shunichi Hatada
Hatada & Robert's Bakeries, Inc.
55 Kukuau Street
Hilo, Hawaii 96720

Mr. Susumu Hata
Y. Hata & Company, Ltd.
300 Kanoolehua Avenue
Hilo, Hawaii 96720

Mr. Eihiro Kaneshiro
Food Fair Super Market
1990 Kionoole Street
Hilo, Hawaii 96720

Mr. A. Chang
Hilo Meat Company, Ltd.
230 Kekuanaoa Street
Hilo, Hawaii 96720

Mr. Manuel Lucas
Savemore Supermarket
660 Kilauea Avenue
Hilo, Hawaii 96720

Mr. George Matsumura
Taniguchi Super Markets
321 Keawe Street
Hilo, Hawaii 96720

Mr. George Abe
Hawaii Island Chamber of Commerce
180 Kionoole Street
Hilo, Hawaii 96720

Mr. Paul Douglass
Matson Navigation Company
11 Pookela Street
Hilo, Hawaii 96720

Mr. Toshio Maeda
Suisan Company, Ltd.
P. O. Box 366
Hilo, Hawaii 96720

Mr. Lloyd Sadamoto
Department of Research & Development
County of Hawaii
Hilo, Hawaii 96720

*also copy of Emergency
Food Inventory form
for info to George
aka. Paul Douglass -
(Lloyd Sadamoto)*



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive,
HILO, HAWAII 96720

August 5, 1971

MEMO TO: Administrator, Hawaii County Civil Defense Agency

SUBJECT: Report on Construction Materials and Petroleum Products - Condition of Inventories Due to the Current Shipping Strike

I. Construction and Hardware Materials

A. Suppliers contacted were:

1. Theo. H. Davies & Co., Ltd.
2. Construction Materials Hawaii, Inc.
3. Amfac
4. Shuman Lumber Co. of Hawaii
5. Lewers & Cooke, Inc.
6. Hawaii Planing Mill, Ltd.

B. Inventories summarized:

1. Plumbing fixtures pertinent to bathrooms and hardware items, such as door knobs and latches, are critical or completely out; some items are being brought in by air at supplier's expense.
2. Roofing and paints are short in supply; some paints are out, others will be out in four weeks.
3. Some suppliers report Douglas fir and redwood lumber in critical supply.
4. Doors for new construction housing not available by most suppliers.
5. Electrical conduit in short supply.
6. The consensus of the majority of the suppliers is that critical shortages will develop in most construction and hardware materials in another four weeks.
7. Parts for machinery and mobile equipment are flown in when required, with 50 percent of the cost absorbed by the supplier.

II. Petroleum Products

A. Suppliers contacted were:

1. Standard Oil Co.
2. Union Oil Co. of California
3. Shell Oil Co.
4. Texaco, Inc.

B. Inventories summarized:

1. Refined products, such as diesel and gasoline, present no problem.
2. Industrial oils and greases are brought in by Matson or Seatrain in barrels and containers and will develop a shortage in some items in another four weeks for some companies. This is not true for others.
3. Black oil for industrial plants in adequate supply.

III. Suppliers' problems

- A. Lay off employees, encourage annual vacations.
- B. Materials ordered before the strike - Manufacturers now insisting on payment but materials on docks in mainland ports.

Boyd M. Shaffer
 BOYD M. SHAFFER
 Resources & Logistics Officer

BS:mk

HAWAII COUNTY CIVIL DEFENSE AGENCY

MEETING
FOOD SECTION
EMERGENCY RESOURCE MANAGEMENT COMMITTEE
AUGUST 6, 1971

A meeting of the Food Section of the Emergency Resource Management Committee was held on August 6, 1971, at 10:10 a.m. in the County Council Room. Mr. Myron O. Isherwood, Sr., Civil Defense Administrator, presided.

Those present were:

Mr. Toshio Maeda, Suisan Company, Ltd.
Mr. Mark Nakamura, Sure Save Super Markets, Ltd.
Mr. Mike H. Tao, Pick & Pay
Mr. Paul Douglass, Matson Navigation Company
Mr. Akira Omonaka, ILIU
Mr. Alan Akine, Taniguchi Super Markets
Mr. Mel Kaneshiro, Food Fair Super Market
Mr. Susumu Hata, Y. Hata & Company, Ltd.
Mr. George Abe, Hawaii Island Chamber of Commerce
Mr. Shunichi Hatada, Hatada & Robert's Bakeries, Inc.
Mr. Megumi Kon, Mayor's Office, County of Hawaii
Mr. Myron O. Isherwood, Sr., HCDA
Mr. Song Gin Kim, HCDA
Mr. Boyd M. Shaffer, HCDA

This meeting was called as a follow-up on the meeting of July 8, 1971, which was held for purposes of starting a survey on the inventory of food supplies on the Island of Hawaii and for an estimate on how long these supplies would last. As a result of that meeting, the Emergency Food Inventory Form prepared by the Hawaii County Civil Defense Agency were sent to each of 14 merchants on this island who cooperated in the survey.

After this original survey was completed, the State Department of Agriculture had Messrs. Hisanaga and Okamoto make a similar survey. It is not known why this had happened because HCDA keeps in contact with State CD and had notified them about our meeting. Kauai also had a similar meeting. The State meeting was held a little over a week ago on the basis of the information that was received from each of the counties and at that time it was felt that the estimates were fairly conservative, like ours.

Mr. Isherwood received a phone call from Mr. Robert Sorg, Resources & Production Officer from State CD, requesting that HCDA send the information from our survey to the DOA since it summarizes the information for the whole state. The DOA listed almost the same items on their inventory form as we had; however, we thought it would be easier to list the number of cases and the estimated time that the items would last under normal conditions while the State requested the information in thousands of pounds. The local DOA sent their information to Honolulu.

Mr. Fred Erskine, who is the head of the DOA, also heads the Food Section of the Emergency Resource Management Committee for the State and for the Island of Oahu. Oahu CD does not come into this but each of the other three counties have their own ERM set-up. However, we are all working toward the same thing—anything that would affect the people who live here. Mr. Isherwood spoke with Mr. Erskine last Saturday and was told that as a result of their meeting, Oahu suppliers, particularly of flours and grains, had dispatched a tug and barge to Vancouver to be loaded and returned with flour and other food products to be made of flour. It is not yet known what effect this would have on the other islands. If and when the barge returns, it was not known at this time whether these products would be allocated to all counties or if they would just be for Oahu. From the news articles, it appears that lots of boats are being loaded there, but the round trip will probably take between 15 and 20 days.

Also at the July 8 meeting, it was agreed that if the strike continued after August 1, we would have another meeting to get an up-dating on what the food supplies are. State CD and the DOA requested that we use the State form on additional reviews of the inventories. The State Food Inventory Forms were distributed to those present and HCDA will also mail copies to the rest of those who participated in the survey. It was requested that these forms be returned to HCDA by Friday, August 13, and the supplies are to be estimated as of that date. After they are returned, we will send them to Honolulu. This form was prepared by the Department of Agriculture and is almost the same as ours. Mr. Isherwood noted that the "Hawaii" column should be filled in. The supplies are to be estimated in thousands of pounds without reference to size. This form does not have a column to indicate the estimate on how long the supplies would last under normal conditions; therefore, it was requested that a star be placed by the supplies which are getting short. In designating the number of pounds, use "2" instead of "2,000" for example, when referring to "2,000 pounds."

Mr. Boyd Shaffer, Resources & Logistics Officer of HCDA, will be handling this survey from here on. Mr. Shaffer was asked to make a survey on the inventory of products other than food and he thus checked with about a half-dozen larger suppliers. At our July 8 meeting, Mr. Isherwood mentioned that he contacted the petroleum organizations and they had estimated about three months' supply; however, they will not anticipate any trouble because their bulk supplies are brought in by their own tankers. They also estimated roughly three months' supply of packaged goods which are normally brought in by Matson or Seatrain. If necessary, these could be brought in by their own tankers but they prefer not to. Mr. Shaffer also checked with the oil companies and their figures show that they have no problems. They anticipate that their packaged goods would last another two months.

Hardware such as door finishings (includes handles, hinges, knobs and pre-made doors), Douglas Fir, Redwood and paint, are beginning to get in short supply. Some contractors are flying these materials in; some of them are absorbing the entire cost while others are paying half of the additional cost. Most of them anticipate that those supplies which have not already been used up will be used up within two to three weeks.

The attendees were asked whether their estimates on food are holding up, which would now be approximately two weeks to a month's supply. They felt that they were, although some goods are already short. Mr. Isherwood added that some items are getting to the critical stage; for example, canned baby foods. However, this may be only on a certain brand.

The group felt that local produce (vegetables and fruits) is holding up pretty well. There are a few people raising corn individually but not commercially. Mr. Maeda mentioned that they tried getting some frozen corn (corn-on-the-cob) from the East Coast; however, they presently do not have corn there, too.

Mr. Abe stated that the Chamber of Commerce took a survey in a different method. Their survey would prove that the strike itself would hurt our economy. Raw materials were found to be good for only another couple of weeks. This is not true for every outfit, but for most.

Mr. Maeda asked what action is taken as a result of these forms. Mr. Isherwood replied that it is an accumulation of information on what the situation is and we pass this on to the State Resource Agency. They, in turn, determine whether they should request the Governor to take certain steps to either use barges, Federal contacts or some other means of getting materials in, particularly staples; and also the allocation of the materials throughout the state rather than perhaps just Honolulu. It would tie in with the same procedures established during World War II when there were a limited number of ships that could come in. Priorities would be set on who gets what and how much and the type of materials that could be brought in. There would be a determination on items that would not be necessary, like caviar, for example, unless the person wants to fly it in.

Mr. Maeda mentioned that it seems as though air freight space is getting tight, too. Mr. Isherwood added that the newspaper articles mentioned that one airline is putting additional freight carrying planes on, although this seems to be only for Oahu.

Mr. Abe asked about Matson. Mr. Douglass said he wishes they had something positive worked out. They had hopes of providing services through Vancouver, which would be fairly expensive but better than directly from the West Coast; however, so far they have not been able to do that. Seatrain is also working on services out of Vancouver but Mr. Douglass does not have any late word on how successful they have been. This would be better than shipping out of the East Coast, Gulf Ports or air freighting, but it still is not very fast. However, in line with what Mr. Isherwood was saying awhile ago, someday the strike will end and when it does, the State Government will probably designate the priorities to Matson, Seatrain and others so the more critical items could be brought in first.

Mr. Abe asked that on the assumption that the strike would last, at what point would the State say the situation is critical. Mr. Isherwood replied that if we do not have any information, we would not be able to supply information on our situation; however, with the information, we can

say that the food would last for a certain period of time, and in additional surveys, we would be able to say that it has either exceeded our previous estimate or is less than our previous estimate. On an up-dating basis, we would have more specific information; then as the situation gets worse, we can yell louder.

The Honolulu DOA's State Committee is primarily made up of wholesalers. We have both retailers and those who act as their own wholesalers to a certain extent although they probably do get some materials from Honolulu under normal conditions.

Another thing that would come into the picture would be animal feed which is normally supplied from Honolulu to companies such as Waldron.

Therefore, the problem would probably be an expanding situation. We started with food because if we do not eat, we cannot live, but having the construction of your house delayed is another thing. Although this would affect the overall economy, we can live without a door knob but not without food.

Mr. Douglass mentioned that the Chamber's survey showed that some people are already out of work because of the strike and if they do not work, they would not be able to buy the food to eat. Mr. Abe stated that as of July 31, roughly 25-30 people were out of work. By September, they expect it to total about 250-300 people.

After a discussion, it was agreed that follow-up surveys will be made every two weeks. The forms distributed at this meeting will be due next Friday (August 13). We will be sending the next follow-up on August 20 and the due date on that will be August 27. If the situation is looking very critical, another meeting will probably be held early in September. In the meantime, we will see what developments have occurred from the State end.

Mr. Isherwood will be in Honolulu next week so he will go to see Mr. Sorg on Wednesday to discuss the food and hardware situation. Then he will be able to get a better idea of what the State intends to do.

Mr. Abe commented that thus far a panic is not on but he is curious to know when the public will start buying. Mr. Isherwood stated that the newspapers have been quite cooperative in not headlining the situation. It was mentioned that some people started buying rice prior to this when there first were talks about the strike coming on.

As there were no further comments or suggestions, the meeting adjourned at 10:45 a.m.

mk

APPROVED:

M. O. Isherwood, Sr.

M. O. ISHERWOOD, SR.
CD Administrator

Copies sent to:

Mr. Frank Hisanaga
Division of Marketing & Consumer Services
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State of Hawaii
Hilo, Hawaii 96720

Mr. Lloyd Sadamoto
Department of Research & Development
County of Hawaii
Hilo, Hawaii

Mr. Megumi Kon
Mayor's Office
County of Hawaii
Hilo, Hawaii

Mr. Toshio Maeda
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Mr. Mark Nakamura
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Hilo, Hawaii

Mr. Mike H. Tao
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Mr. Alan Akine
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Hilo, Hawaii

Mr. Mel Kaneshiro
Food Fair Super Market
1990 Kinooles Street
Hilo, Hawaii

Mr. Susumu Hata
Y. Hata & Co., Ltd.
300 Kanoolehua Avenue
Hilo, Hawaii

Mr. George Abe
Hawaii Island Chamber of Commerce
180 Kinooles Street
Hilo, Hawaii

Mr. Shunichi Hatada
Hatada & Robert's Bakeries, Inc.
55 Kukuau Street
Hilo, Hawaii

Mr. George Inouye
Veterans' Produce Exchange
70 Kiwooles Street
Hilo, Hawaii

Mr. Teruo Togashi
Brewery Industries, Ltd.
45 Onao Street
Hilo, Hawaii

Mr. Ralph Kidani
Fred L. Waldron, Ltd.
424 Kanoolehua Avenue
Hilo, Hawaii

Mr. Bill Richardson
Safeway
333 Kilauea Avenue
Hilo, Hawaii

Mr. Eugene Sung
Hilo Foodland
250 Kinooles Street
Hilo, Hawaii

Mr. Anthony Chang
Hilo Meat Co., Ltd.
230 Kekuanaoa Street
Hilo, Hawaii

Mr. Manuel Lucas
Savemore Supermarket
660 Kilauea Avenue
Hilo, Hawaii



Phones: 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HILO, HAWAII 96720

August 23, 1971

MEMO TO: Administrator, HCDA

SUBJECT: Check with Managers of Six Large Supermarkets in Hilo as to Sales, Supplies Remaining, Expected Shipments, and Outlook in General on Part of the Businessmen

Of the seven supermarkets, only Safeway and Hall Foods reported a run on rice. Supplies are moving in a normal pattern at all other stores and no items are reported critical nor expected as such for at least another 30 days. Small shipments, 15,000-pound lots, are arriving weekly for some wholesalers and some supermarkets; that is, 15,000-pound lots are currently allocated to those outlets wanting to make use of them. These ships are sailing from the East Coast. Costs are higher than those of Canadian ports on the West Coast. Space on ships leaving the West Coast ports in Canada is tight and hard to get. For this reason, it is felt that by some that the Governor should set up an allocation of only food stuff from the ships leaving the West Coast ports. Forget about construction supplies and similar items until the strike is over.

Businessmen are not worried too much about having sufficient supplies to ride out the striks. There is a feeling that before another 10 days the strike will be over.

Boyd M. Shaffer
BOYD M. SHAFFER
Resources & Logistics Officer

BIS:mk



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HILO, HAWAII 96720

August 31, 1971

MEMO TO: Administrator, Hawaii Civil Defense Agency

SUBJECT: Inventories of Food Supplies - Hilo Area

Even though air freight is a small percentage of the total flow of freight into the Island of Hawaii, the impact of air freight is particularly noticeable island-wide in fresh fruits and vegetables. The bulk of food items continue to move by ship and barge--by ship from West and East Coast ports to Honolulu; by barge from Honolulu to Hilo and Kawaihae. Where formerly Matson and Seatrain bore the cost of container shipment from Honolulu, local dealers are now paying for the cost of moving containers from and returning to Honolulu.

Without considering the replenishment factor, local food inventories are recapped as of August 23, 1971, as follows:

| | | |
|-------------------------|---|-----------|
| (1) Canned Foods | $\frac{1,184,736 \text{ lbs.}}{26,400}$ | = 44 days |
| (2) Frozen Foods | $\frac{457,901 \text{ lbs.}}{26,400}$ | = 17 days |
| (3) Packaged Foods | $\frac{789,870 \text{ lbs.}}{26,400}$ | = 29 days |
| (4) Miscellaneous Foods | $\frac{567,841 \text{ lbs.}}{26,400}$ | = 21 days |

Respectfully submitted,

Boyd M. Shaffer
BOYD M. SHAFFER
Resources & Logistics Officer

BMS:mk



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HILO, HAWAII 96720

September 7, 1971

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MEMO TO: Administrator, Hawaii Civil Defense Agency

SUBJECT: Hawaii County Status of Supplies Resulting from Shipping Strike

Inventories of Hilo wholesalers, supermarkets and various outlets in Kona and Waimea as of September 3, 1971, are as follows:

Drugs:

No shortage of prescription and refrigerated drugs as these items have been flown in all along. The Hilo Hospital, Kona Hospital, and dispensaries at Honokaa and Kohala are not in need of supplies. Wholesaler George Machida anticipated the strike and brought in bulk supplies in large quantities. Amfac and McKesson have been able to fill all requirements from Honolulu stocks.

Foods:

Supermarkets and wholesalers report 30 days' supply remaining for normal requirements. Gallon-size tins of vegetables and fruits furnished to schools and hospitals are out at most of the wholesalers.

Some managers of sales outlets feel that we are in the midst of a "Yellow Alert" and should use the utmost caution so as not to create panic buying. Management of Hatada bakeries reports enough flour through September but after September his operating condition will be critical. He feels that the Mayor should declare an emergency in order to bring action from the State Governor.

Sincerely,

Boyd M. Shaffer
BOYD M. SHAFFER
Resources & Logistics Officer

BMS:mk

September 8, 1971

Honorable Shunichi Kimura
Mayor, County of Hawaii
Hilo, Hawaii 96720

Dear Mayor Kimura:

In reply to your memo of September 3 relative to the chlorine situation on Hawaii, contacts with the State Civil Defense office show that 85 tons of chlorine are due to arrive by barge in Honolulu on September 16. There is no breakdown of how many 250-pound cylinders or one-ton cylinders, but all chlorine is being reserved for the counties.

On checking with Edmund Koku of the Department of Water Supply, he was advised this morning that 36 cylinders of 250 pounds each have just arrived in Hilo and will be held for the Department of Water Supply. This should carry the Department of Water Supply for a period of at least two months. The sewage treatment plants have sufficient one-ton cylinders for at least the month of September and with the new supply arriving in Honolulu, there should be no problem on chlorine for the sewage plants.

Yours very truly,

M. O. Isherwood

M. O. ISHERWOOD, SR.
Administrator

MDI:mk



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HILO, HAWAII 96720

September 9, 1971

MEMO TO: Administrator, Hawaii Civil Defense Agency

SUBJECT: Food Supplies, Replenishment, Allocation of Space, Shipping Charges, Price Ceiling, Containers for Supplies Stuffed in Honolulu, Related Effects

1. Food Supplies. All supermarkets report table salt on their shelves but have noticed a run on this item since the Advertiser reported a shortage in Honolulu stores. Rice is out at one store but brown rice remain on the shelves. Some wholesalers are bringing in a new rice which can be marked up. Canned vegetables, fruits, milk, meat products and packaged foods are reported to be sufficient for 30 days.

2. Replenishment. Wholesalers and some supermarkets report regular two-week replenishment from East Coast shipments. For the most part, manufacturers and suppliers have been absorbing additional costs to established customers where cargo have been moved to East Coast and Canadian ports on the West Coast.

3. Allocation of Space. Hilo wholesalers were not too interested in containers as currently set up on the Californian. They felt that their Honolulu associates would take care of their needs. However, when they were advised that the State would pick up the cost of transportation from Honolulu to Hilo, four of the wholesalers put in applications for containers, moving containers from the San Francisco area to Vancouver.

4. Shipping Charges. Some of the manufacturers, such as Carnation Company, have been very generous in helping out wholesalers by absorbing additional freight costs. For instance, \$1,100.00 for a container of foods from Los Angeles to Vancouver becomes prohibitive, if the margin is narrow, such as in the sale of rice. It cannot be passed on to the consumer because of the price ceiling. In the case of the chartered ship Californian, an additional 35 percent increase is charged to the wholesaler. In the case of Campbell Soup Company, most of the increased freight costs will be picked up by the company.

5. Price Ceilings. An adverse effect of the price ceiling is that items needed for food processing, such as salt for processing of meats,

are not available on this island and must be brought in at a price higher than the ceiling price and absorbed by the wholesaler. Also, it is reported by local wholesalers that some critical items are in the warehouses in Honolulu and the management will not release them for sale because of the price freeze, whereby the Honolulu wholesaler cannot make a profit.

6. Containers. When the container is shipped from the mainland full and directly to the wholesaler in Hilo, there is no problem in shipping by Young Brothers barge when off-loaded in Honolulu. However, if partial re-loading is required to make up shipments for Hilo, there is a shortage of containers. Watson's containers are frozen along with their barge which puts the entire barge movement of cargo on Young Brothers. The question has been asked if the Governor could make available more containers for Hilo cargo—possibly have Watson's containers put in use and moved by Young Brothers barge.

Respectfully submitted,

Boyd M. Shaffer
BOYD M. SHAFFER
Resources and Logistics Officer

BMS:mk



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HILO, HAWAII 96720

September 10, 1971

MEMO TO: Administrator, Hawaii Civil Defense Agency

SUBJECT: Food Supplies - Number of Days Remaining without Replenishment
for Hawaii County

As of September 10, 1971, remaining stocks on hand with wholesalers and sales outlets, not considering replenishment, will last the number of days indicated as follows:

Canned Foods:

| | |
|---------------------|---------|
| Meat Products | 14 days |
| Milk | 21 " |
| Vegetables & Juices | 21 " |
| Soup | 21 " |
| Baby Food | 21 " |
| Shortening | 14 " |
| Coffee | 30 " |

Frozen Foods:

| | |
|---------------------|---------|
| Beef & Veal | 21 days |
| Pork | 7 " |
| Poultry | 7 " |
| Fish | 14 " |
| Vegetables & Juices | 7 " |

Packaged Foods:

| | |
|-----------------|---------|
| Sugar | 14 days |
| Cereals | 21 " |
| Flour & Mixes | 14 " |
| Paste Goods | 7 " |
| Spaghetti | 2 " |
| Rice | 7 " |
| Dry Milk Solids | 14 " |
| Cooking Oils | 14 " |

Packaged Foods: (Continued)

| | |
|-------------------|---------|
| Salad Dressing | 21 days |
| Mayonnaise | 7 " |
| Tea | 21 " |
| Cocoa & Chocolate | 21 " |
| Jams & Jellies | 21 " |
| Salt, Table | 7 " |

Miscellaneous Foods:

| | |
|--------------------------|---------|
| Smoked & Processed Meats | 14 days |
| Dried Beans, Peas | 14 " |
| Butter | 7 " |
| Margarine | 21 " |
| Cheese | 21 " |

Other Products:

| | |
|------------------|---------|
| Soap, Hand | 21 days |
| " , Detergent | 21 " |
| Bleach | 14 " |
| Toilet Tissue | 21 " |
| Sanitary Napkins | 28 " |

Pet Foods:

| | |
|--------|--------|
| Dry | 0 days |
| Canned | 14 " |

Items formerly brought in by ship now being brought in by air:

| | |
|----------------|--------|
| Poultry | 7 days |
| Pork | 7 " |
| Bacon, Sausage | 7 " |
| Butter | 7 " |
| Mayonnaise | 7 " |
| Dried Fruit | 7 " |
| Spaghetti | 2 " |

It has been reported by the supermarkets that everytime an article appears in the Honolulu newspapers of a shortage on one particular food item, a run on that item is noted in Hawaii. Some of the managers expect that they will have to take back rice from customers when the strike is over. They report they have done this in the past and must do it to keep public relations. Some of the items herein reported are completely out at some supermarkets but quantities at wholesalers and remaining sales outlets will provide supplies for the days indicated, without replenishment.

Handwritten signature
BOYD/H. SHAFER

Resources & Logistics Officer

B/S:mk

September 15, 1971

MEMO TO: Mayor Shunichi Kimura

SUBJECT: Supplies - Strike Effects Related Thereto

1. As of September 15, 1971, inventories have been reviewed in the hospitals, drug wholesalers, local pharmacies and a report as to the findings are as follows:

a. Hospital Supplies - Shortage developing in surgical and ward supplies on the following items:

- 1) Stomach Tubes
- 2) Drainage Tubing
- 3) Urinary Drainage Sets
- 4) Surgeon's Gloves
- 5) Medical Examination Gloves
- 6) Gause
- 7) Sponges
- 8) Bandages
- 9) Laboratory Sheets
- 10) Wadding Sheets
- 11) Nitrous Oxide
- 12) Fleet Enema

b. Drug Wholesalers Supplies - Wholesalers report that they have 30 to 50 days' supply of items normally stocked and are able to meet all demands. Some exceptions occur, such as 200-proof alcohol used by medical laboratories. This item is completely out although lesser proof is available.

c. Pharmaceutical Supplies - Most pharmacies report 30 to 50 days' stock of pharmaceutical supplies. Some brands of sundry supplies are out but other brands are available. Shortages are developing in containers, such as bottles and vials. Customers are requested to bring a container when seeking refills. Sufficient alcohol is reported for drug mixing of prescriptions.

2. The following is a report on the food wholesalers, supermarkets and food supplies available:

a. Food Wholesalers - Wholesalers are operating under a price ceiling and recent increased local transportation costs. From the pier to the industrial area, a distance of approximately two miles, all Hilo transportation companies, except one, charge \$20.00 plus tax to deliver and pick up all size containers, whether 30 feet or 40 feet. One transportation company charges \$14.00 per hour for 40-foot containers with a minimum charge of two hours for delivery, plus two hours for pick-up, or a total of \$56.00 plus tax. This charge is hard to absorb and with some foods where the margin of profit is small, the wholesaler is in a quandary as what to do.

b. Supermarkets

1) Rice - Some supermarkets are out of regular rice but have brown rice on their shelves. Replenishment is scheduled by the end of the month. One week's supply remains for most markets.

2) Salt - Not on the shelves of all supermarkets. Rationing in effect. Sales outlets are looking after regular customers.

3) Mayonnaise - Non-popular brands on shelves in quart and smaller sizes.

c. Summary of popular foods available and number of days remaining:

1) Canned Foods:

| | |
|---------------------|---------|
| Meat Products | 14 days |
| Milk | 21 " |
| Vegetables & Juices | 21 " |
| Soup | 21 " |
| Baby Food | 21 " |
| Shortening | 14 " |
| Coffee | 30 " |

2) Frozen Foods:

| | |
|---------------------|---------|
| Beef & Veal | 21 days |
| Pork | 7 " |
| Poultry | 7 " |
| Fish | 14 " |
| Vegetables & Juices | 7 " |

3) Packaged Foods:

| | |
|---------------|---------|
| Sugar | 14 days |
| Cereals | 21 " |
| Flour & Mixes | 14 " |
| Pasta Goods | 7 " |
| Spaghetti | 2 " |

Packaged Foods: (Continued)

| | |
|-------------------|--------|
| Rice | 7 days |
| Dry Milk Solids | 14 " |
| Cooking Oils | 14 " |
| Salad Dressing | 21 " |
| Mayonnaise | 7 " |
| Tea | 21 " |
| Cocoa & Chocolate | 21 " |
| Jams & Jellies | 21 " |
| Salt, Table | 2 " |

Miscellaneous Foods:

| | |
|--------------------------|---------|
| Smoked & Processed Meats | 14 days |
| Dried Beans, Peas | 14 " |
| Butter | 7 " |
| Margarine | 21 " |
| Cheese | 21 " |

Other Products:

| | |
|------------------|---------|
| Soap, Hand | 21 days |
| " , Detergent | 21 " |
| Bleach | 14 " |
| Toilet Tissue | 21 " |
| Sanitary Napkins | 28 " |

Pet Foods:

| | |
|--------|--------|
| Dry | 0 days |
| Canned | 14 " |

3. Business leaders of the food division believe that as long as the strike is on, the Governor should:

- a. Make every effort to lift the price freeze.
- b. Continue with the chartering of the Californian or other ships.

Respectfully submitted,

BOYD M. SHAFFER
Resources & Logistics Officer

BS: nk

cc: Council Chairman Herbert T. Matayoshi
Frederick C. Perkins, Chairman, Bd. of Ag.
Robert Sorg, State CJ
Governor John A. Burns

September 24, 1971

MEMO TO: Mayor Shunichi Kimura

SUBJECT: Supplies - Strike Effects Related Thereto

1. As of September 24, 1971, inventories have been reviewed in food wholesalers and sales outlets and a report as to findings is submitted as follows:

- a. Supermarkets

- 1) Rice - Most sales outlets completely out; some have emergency stocks for customers who are out; small quantities of Japan rice trickle in from Honolulu but are sold out in one or two days. Replenishment scheduled by October 9, 1971.
- 2) Salt - Table salt out at most outlets; Hawaiian salt is sold as substitute. Replenishment scheduled by October 9, 1971.
- 3) Pasta Products - Off shelves of most supermarkets. Replenishment uncertain.
- 4) Peanut & Beans, Dried - Out at most supermarkets. Replenishment uncertain.
- 5) Cereals - Limited variety available. Small periodic replenishments from East Coast.
- 6) Milk, Canned - Stocks fast depleting.
- 7) Paper Products - Towels and toilet tissue in short supply. Replenishment due by October 9, 1971.

- b. Wholesalers and Supermarkets

Summary of popular foods and number of days supply remaining for both wholesalers and supermarkets is as follows:

1) Canned Foods

| | |
|---------------------|---------|
| Meat Products | 14 days |
| Vegetables & Juices | 14 " |
| Fruits & Juices | 14 " |
| Soup | 14 " |
| Baby Food | 14 " |
| Shortening | 10 " |
| Coffee | 30 " |

2) Frozen Foods

| | |
|---------------------|---------|
| Beef & Veal | 14 days |
| Pork | 7 " |
| Poultry | 7 " |
| Fish | 14 " |
| Vegetables & Juices | 7 " |

3) Packaged Foods

| | |
|-------------------|---------|
| Sugar | 14 days |
| Flour & Mixes | 14 " |
| Dry Mill Solids | 7 " |
| Cooking Oils | 14 " |
| Salad Dressing | 14 " |
| Tea | 21 " |
| Cocoa & Chocolate | 14 " |
| Jams & Jellies | 14 " |

4) Miscellaneous Foods

| | |
|--------------------------|---------|
| Smoked & Processed Meats | 10 days |
| Butter | 7 " |
| Margarine | 14 " |
| Cheese | 14 " |

5) Other Products

| | |
|------------------|---------|
| Soap, Hand | 21 days |
| " , Detergent | 21 " |
| Bleach | 14 " |
| Sanitary Napkins | 28 " |

6) Pet Foods

| | |
|-------------|---------|
| Dog, Canned | 15 days |
| Cat, Canned | 15 " |

c. Restaurants

Restaurants unable to obtain supplies from wholesalers and are now purchasing from supermarkets. Such practice is reducing inventories

at a factor rate and upsetting remaining days supply for consumer families.

d. Meat Processing Plants

Salt is conserved through reusing salt knocked free off hides. In the processing kitchen, it is melted down and used in curing meats. Large quantities of salt have been reused permitting the processing factory to continue operations.

2. Price freeze and increased transportation costs from Honolulu to Hilo continue to slow movement of supplies over this 200-mile trek. Broken down into units, the added cost to move one container from Honolulu to Hilo, since the strike, is as follows:

| | |
|------------------------------------|--------------|
| a. Honolulu Dock to Young Brothers | \$ 19.30 |
| *b. Young Brothers Barge to Hilo | 402.00 |
| c. Return container to Honolulu | <u>27.77</u> |
| | \$449.07 |

*In some instances, part of this cost is absorbed by the manufacturer.

Prior to the strike, containers off-loaded in Honolulu were shipped by Matson, Seatrain and U. S. Lines at no additional cost.

3. Business leaders of the Food Division believe that since no action has been taken by the Federal authorities to remove price ceilings for Hawaii, the Governor should:
- a. Make every effort to lift the price freeze on one item - rice.
 - b. Continue with chartering of the Californian or other ships.

Respectfully submitted,

BOYD H. SHAFFER
Resources & Logistics Officer

BHS:mk

cc: Frederick C. Erskine, Chairman, Bd. of Ag.
Robert Sorg, State CD
Governor John A. Burns

October 1, 1971

MEMO TO: Mayor Shunichi Kimura

SUBJECT: Supplies - Strike Effects Related Thereto

As of October 1, 1971, review of inventories at hospitals, drug wholesalers, pharmacies, food wholesalers and supermarkets was made. The findings are reported as follows:

1. Hospitals

Continuing shortages in surgical and ward supplies, as previously reported on September 15, 1971, present problems which are being met through local pharmacies and, sometimes, through substitution of items. Sponges, gauze, other surgical needs and medicine are brought in by air freight.

2. Drug Wholesalers

Report that drugs and medicine stocks are brought in by air and have been able to meet all demands to the present date. One local wholesaler reports that his inventory is about 95 percent of the stock carried in normal times.

3. Pharmacies

Report that no problems exist with straight pharmaceutical supplies. It is the sundry items which are becoming difficult to obtain and which account for the volume of sales. These items run from toilet tissue to Christmas merchandise. One pharmacy in the downtown area is closing out and consolidating all stock in its Fall outlet. Nothing to advertise is the comment of most managers.

4. Food Wholesalers

Periodically bring in bakery flour and immediately allocate the supply to their respective customers. Where small bakeries, in the past, have by-passed local wholesalers and brought in their own flour, these same bakeries now find it difficult to obtain flour other than through the Hawaii Flour Mill in Honolulu.

5. Supermarkets

a. Rice

Most sales outlets completely out; replenishment will arrive on the Californian in the second week in October.

b. Salt

Table salt is out at most outlets; Hawaiian salt available as substitute. Replenishment due in second week of October.

c. Paste Products

Macaroni and spaghetti sold out at most sales outlets. Replenishment due in second week of October.

d. Peas and Beans, Dried

Completely off the shelves of all supermarkets. Replenishment due in second week of October.

e. Cereals

Limited varieties available. Replenishment due in second week of October.

f. Fruits, Dried

Most sales outlets completely out. Replenishment due in second week of October.

g. Paper Products

Towels and toilet tissue in short supply. Replenishment due in second week in October.

h. Milk, Canned

The run on milk has stopped but stocks are low. Replenishment due in second week of October. Available in all sales outlets.

i. Summary of popular foods at supermarkets and number of days supply remaining:

1) Canned Foods

| | |
|---------------------|---------|
| Meat Products | 14 days |
| Vegetables & Juices | 14 " |
| Fruits & Juices | 14 " |
| Soup | 14 " |

1) Canned Foods (Continued)

| | |
|------------|---------|
| Baby Food | 14 days |
| Shortening | 10 " |
| Coffee | 30 " |

2) Frozen Foods

| | |
|---------------------|---------|
| Beef & Veal | 14 days |
| Pork | 7 " |
| Poultry | 7 " |
| Fish | 14 " |
| Vegetables & Juices | 7 " |

3) Packaged Foods

| | |
|-------------------|---------|
| Sugar | 14 days |
| Flour & Mixes | 14 " |
| Dry Milk Solids | 7 " |
| Cooking Oils | 14 " |
| Salad Dressing | 14 " |
| Tea | 21 " |
| Cocoa & Chocolate | 14 " |
| Jams & Jellies | 14 " |

4) Miscellaneous Foods

| | |
|--------------------------|---------|
| Smoked & Processed Meats | 10 days |
| Butter | 7 " |
| Margarine | 14 " |
| Cheese | 14 " |

5) Other Products

| | |
|------------------|---------|
| Soap, Hand | 21 days |
| " , Detergent | 21 " |
| Bleach | 14 " |
| Sanitary Napkins | 23 " |

6) Pet Foods

| | |
|-------------|---------|
| Dog, Canned | 15 days |
| Cat, Canned | 15 " |

Business leaders in the Food Division are concerned about the possibility of the Californian arriving after the arrival of released strike-bound West Coast ships. Should this occur, wholesalers will be caught with higher priced foods and stand to lose large sums of money. Had the Californian sailed on the schedule originally planned, September 23 and arrive on September 29, 1971, there wouldn't be any concern about the situation. However, should the West Coast ships arrive prior to the Californian, local business leaders believe the Governor should:

1. Cause the State to pick up all transportation costs which cause food items on the Californian to be higher than those brought in on the West Coast ships.
2. Absorb all additional costs caused by the delay in getting containers aboard the Californian.

Respectfully submitted,

BOYD M. SHAFFER
Resources & Logistics Officer

HMS:mk

cc: Frederick C. Erskine, Chairman, Bd. of Ag.
Robert F. Sorg, State CD
Governor John A. Burns



Phones - 935 0031
935 0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive,
HILO, HAWAII 96720

October 8, 1971

MEMO TO: Administrator, Hawaii Civil Defense Agency
SUBJECT: Food Supplies - Strike Effects Related Thereto

As of October 8, 1971, review of inventories at food wholesalers and supermarkets reveal the following:

1. Supermarkets

Rice, beans, macaroni and spaghetti are beginning to appear on the shelves of most supermarkets. By the third week in October, most supermarkets expect to be fairly well stocked with all varieties of food.

Pet food, dry type, is back on the shelves of some supermarkets and is rationed to shoppers. Canned pet food has been available at all supermarkets.

2. Wholesalers

Some wholesalers are receiving regular stocks of rice in limited quantities and are distributing it to restaurants and regular sales outlets.

Wholesalers are grateful to those manufacturers who have absorbed the additional freight costs caused by the strike which could not be passed on to the consumer because of the price freeze. The manufacturers who have been most helpful during this strike period are as follows:

General Mills
Kelloggs
National Biscuit
Hills Brothers
Gerber's Baby Food
Proctor and Gamble
Campbell Soup

It is expected that the Californian will sail from Vancouver not later than the 8th of October, 1971, and should arrive on the 15th of October at Honolulu. Wholesalers committed to bring in containers on the Californian believe that transportation costs absorbed by the State should be increased by 50 cents per hundred weight or \$1.60 instead of the planned \$1.10 per hundred weight.

Respectfully submitted,


BOYD M. SHAFFER

Resources & Logistics Officer

BMS:mk

cc: Mayor Shunichi Kimura
Frederick C. Erskine, Chairman, Bd. of Ag.
Robert F. Sorg, State CD
Governor John A. Burns



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HRLQ, HAWAII 96720

October 15, 1971

MEMO TO: Administrator, Hawaii Civil Defense Agency
SUBJECT: Food Supplies - Strike Effects Related Thereto

As of October 15, 1971, review of inventories of food wholesalers and supermarkets reveal the following:

1. Supermarkets

a. Rice

Has been arriving in small quantities but is quickly sold out. No rice on shelves this date. Expect adequate stocks next week.

b. Salt

On the shelves of some sales outlets. Replenishment is expected next week.

c. Peas & Beans, Dried

Sold out. Replenishment expected next week.

d. Cereals

Supply adequate. Large replenishment next week.

e. Paste Products

Some sales outlets have spaghetti and macaroni on shelves. Replenishment is expected next week.

f. Fruits, Dried

Odds and ends on shelves. Replenishment is expected next week.

g. Paper Products

Towels and toilet tissue available at all sales outlets. Replenishment in most brands expected next week.

h. Pet Foods

Dry mix pet foods on shelves of sales outlets. Canned pet foods available at all markets. Replenishment is expected next week.

i. Butter

Out at all sales outlets. Margarine available. Butter is brought in by air freight and is expected this date.

j. Other Popular Foods

Canned meats, vegetables, fruits, packaged goods - Two weeks' supply available. Expect replenishment next week.

Business leaders are hopeful that the following actions and services can be expedited:

1. Custom inspection in Honolulu for release of foods to Hilo.
2. Transshipment of supplies for Young Brothers Barge from Honolulu to Hilo.
3. Wholesalers committed to bring in containers on the Californian urge that transportation costs absorbed by the State be increased from \$1.10 to \$1.76 per hundredweight for Hilo wholesalers.

Also, business leaders of the Food Division are appreciative of the Governor's efforts, though unsuccessful, to release foods from the Federal price freeze. Some say it is a case of the minority having to tighten their belts to take care of the majority.

Respectfully submitted,

Boyd M. Shaffer
BOYD M. SHAFFER
Resources & Logistics Officer

BMS:mk

cc: Mayor Shunichi Kinura
Frederick C. Erskine, Chairman, Bd. of Ag.
Robert F. Sore, State CD
Governor John A. Burns



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34 A Rainbow Drive
HILO, HAWAII 96720

October 22, 1971

MEMO TO: Administrator, Hawaii Civil Defense Agency

SUBJECT: Food Supplies - Strike Effects Related Thereto

As of October 22, 1971, during the period commencing October 18 through October 22, 180 containers of supplies arrived at the Port of Hilo, 62 by Young Brothers barge and 118 by Matson's Hawaiian Princess. Of the total containers, 103 contained food supplies of which 30 contained rice, or a total, approximately, of 1 1/2 million pounds of rice.

As of this date, the wholesalers have distributed all rice to sales outlets. Sales outlets are experiencing a heavy run on rice, especially on the 25-pound size. As a point of interest, it was noted that where one of the large supermarkets had 5- and 10-pound bags of rice on the shelves with a note on an adjoining shelf that 25-pound bags would be on sale tomorrow, shoppers did not buy the smaller bags but swarmed the store the following day to buy up the 25-pound bags. This might indicate that these particular shoppers had rice at home.

All food items formerly in short supply are found on the shelves of most of the sales outlets. These include rice, salt, dried beans and peas, macaroni and spaghetti, as well as pet foods and toilet tissue.

From the State chartered Californian, wholesalers received most of the 46 containers on the 16th and six on the 19th, of the following supplies:

| | |
|------------------------------|--------------------------|
| Rice | 6 Containers |
| Milk | 4 " |
| Paste Products | 1 " |
| Paper Products | 4 " |
| Animal Foods | 15 " |
| Pet Foods | 2 " |
| Seasoning & Spices | 1 " |
| Egg Cartons | 1 " |
| Oat Groats | 1 " |
| Seed & Agricultural Supplies | 1 " |
| Miscellaneous Canned Goods | 4 " |
| | <u>40 Dry Containers</u> |

| | |
|-------------------|----------------------------------|
| Frozen Meats | 2 Containers |
| Butter | 1 " |
| Frozen Vegetables | 3 " |
| | <u>6</u> Refrigerated Containers |
| TOTAL | 46 Containers |

For the week commencing October 25, 1971, Young Brothers barge will discharge 30 Seatrain containers while Matson, via the Hawaiian Princess, will discharge 200 containers on October 28, 1971, all cargo originating from Los Angeles and San Francisco and destined for Hilo.

Respectfully submitted,

BOYD M. SHAFFER
Resources & Logistics Officer

BHS:mk

cc: Mayor Shunichi Kimura
Frederick C. Erskine, Chairman, Bd. of Ag.
Robert F. Sorg, State CD
Governor John A. Burns

County of Hawaii



Proclamation

WHEREAS, during the recent shipping strike the health and welfare of the people of the County of Hawaii was adversely affected by the non-receipt of food, construction materials, and products essential to the economic stability of the County; and

WHEREAS, the lack of supplies contributed to an increase in the unemployment of residents of this County; and

WHEREAS, newspaper reports have carried items stating that a shipping strike will occur on or about January 1, 1972; and

WHEREAS, the Mayor of the County of Hawaii, as Deputy Director of Civil Defense for said County of Hawaii, is charged with the responsibility of providing for the health and welfare of its citizens; and

WHEREAS, the Mayor of the County of Hawaii, as Deputy Director of Civil Defense for said County of Hawaii, is further charged to make adequate provision against shortages of food supplies and essential commodities, to maintain the strength, resources and economic life of the community and provide for prompt and effective action to protect the public health and welfare; and

WHEREAS, certain food importers of the County of Hawaii have indicated a willingness to bring in supplies of food and essential commodities over and above their normal requirements to safeguard the citizens of the County of Hawaii against shortages due to the impending strike but do not have space available for the storage of such additional food supplies;

NOW, THEREFORE, I, SHUNICHI KIMURA, Mayor of the County of Hawaii, do hereby proclaim and declare that a state of emergency exists within the County of Hawaii, State of Hawaii, and that property belonging to the County of Hawaii shall be made available, where possible, to those merchants desiring to and capable of increasing their inventories of food, health and sanitation products and commodities essential to the health and welfare of the citizens of the County of Hawaii under conditions which shall be mutually agreed upon by the merchants and the County of Hawaii.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the County of Hawaii to be affixed this first day of December in the year of Our Lord, Nineteen Hundred and Seventy-One.

SHUNICHI KIMURA
MAYOR
COUNTY OF HAWAII





Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HIL, HAWAII 96720

December 1, 1971

MEMO TO: Administrator, HCDA

SUBJECT: Report on Food Supplies and Pet and Animal Foods as of November 30, 1971

1. Sales outlets and wholesalers average out at four weeks' supply of food stocks with the exception of fresh and frozen fruits and vegetables and, also, fresh and frozen meats. The latter foods are in supply only for two to three weeks and are brought in mostly by air freight. Pet and animal foods inventories are adequate for 30 days.

2. Supplies under order as basic foods and hoped to arrive prior to January 1, 1972, if received, are planned as normal requirements for a period of three to four months. This incoming inventory includes pet and animal foods.

3. There is some concern about the possibility of the local ILWU going on strike around December 5, 1971. Such a strike would close down all dock operations and would be disastrous for Hawaii unless massive air lifts of food supplies could be made to the islands of Hawaii. However, it does not seem likely that the local ILWU will strike before January 1, 1972, because their past image is such as to be above such senseless tactics of destruction.

4. The big problem of the wholesalers for the storage of supplies during the interim, from now until the continuation of the strike in January, 1972, is being defused by the County providing storage space at Theo. H. Davies & Company and County-controlled buildings.

5. Other problems that some of the wholesalers are concerned with include the following:

- a. Financing - Need money at 5% to increase inventories.
- b. Elimination of Demurrage - Bunching of containers by Matsen and Seatrain Shipping Companies is not the fault of the wholesalers but that of the shipping companies in rescheduling shipment of containers. During this strike emergency period, wholesalers feel that they should not be charged the \$5.00 per day for retention over 48 hours.

- c. Federal Inspectors - Condemn and fine wholesalers stocking food supplies wherein rat and bird damage is found in the supplies stored in warehouses. It is felt that some inspectors are over zealous in their inspections.

Respectfully submitted,

Boyd M. Shaffzer
BOYD M. SHAFFZER
Resources & Logistics Officer

BMS:mk



Phones: 935-0031
935-0032

COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
HILLO, HAWAII 96720

December 23, 1971

MEMO TO: Administrator, Hawaii Civil Defense Agency

SUBJECT: Report on Food Supplies as of This Date

1. Ships' schedules are off and running from two to four days behind expected arrivals. This is caused by the rush to load ships as quickly as possible and the lack of cargo gangs on the West and East Coasts.

2. West Coast labor and management relations look hopeful; talks are now in progress and a break is expected.

3. East Coast labor and management teams are reported to be close to a settlement.

4. However, rice stocks remain in short supply at all supermarkets; Safeway is out of rice.

5. Cargo arriving on December 23, 1971, includes twelve containers of rice; on December 30, 1971, the Hawaiian Princess will arrive with cargo and, hopefully, ten containers of rice.

6. Leading wholesalers report sufficient inventories to handle their accounts for thirty days. For food items other than rice, inventories are now adequate for sixty days.

7. Pet and animal feeds are in adequate supply for ninety days at the leading wholesalers.

8. Storage space authorized by the County is being utilized by Taniguchi, Waldron and Frank's Foods.

9. Statistically, 2-3/4 million pounds of rice have passed to consumers during a 2-1/2-month period which at 1963 consumption rates of 8.2 pounds per person per month would mean that each person has a four months' supply. Of course, this is not true for all people. Hotels and restaurants are the big purchasers of rice.

Respectfully submitted,

Boyd H. Sniffen
BOYD H. SNIFFEN
Resources & Logistics Officer

B'S:smk



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive,
HILO, HAWAII 96720

January 12, 1972

MEMO TO: RESEARCH & DEVELOPMENT

VIA: ADMINISTRATOR, HAWAII COUNTY CIVIL DEFENSE AGENCY

SUBJECT: SUPPLIES AFTER AUGUST 1, 1971 SHIPPING STRIKE; DOCUMENTATION OF

1. Little change was noted in normal supply levels during the first month of the strike. Shelves remained full at all supermarkets. No evidence of hoarding nor panic consumer buying. Wholesalers had stocked to limits of capability and were able to take care of all accounts; some replenishment from East Coast, Australia and Japan continued throughout August.
2. September 7, 1971
Gallon size tins of fruits and vegetables used by hotels, restaurants, schools and hospitals becoming scarce. Flour supply for commercial bakeries becoming in short supply.
3. September 9, 1971
Container shortage developing in Honolulu. When the container is shipped from the mainland full and directly to the wholesalers in Hilo, there is no problem in shipping by Young Brothers barge when off-loaded in Honolulu. If partial re-loading is required to make up shipments to Hilo, there is a shortage of containers.
4. September 10, 1971
Price ceilings have an adverse effect on supplies needed for food processing, such as salt for the processing of meats. Wholesalers in Honolulu have salt in stock but will not release it at the sale price at which frozen because if they did, they would lose money.
5. September 13, 1971
 - a. Wholesalers report regular two-week replenishment from East Coast of canned fruits and vegetables.

- b. Manufacturers absorbing additional freight costs which cannot be passed on to the consumer. Carnation Milk and Campbell Soup lead off manufacturers.

6. September 14, 1971

- a. Run on rice. Honolulu newspapers report shortage on rice and salt. No shortage in Hilo.
- b. Wholesalers request allocation of space on Californian to sail from Vancouver to Honolulu.

7. September 15, 1971

- a. Shortage developing in surgical and ward hospital supplies.
- b. Some supermarkets out of rice and substituting brown rice.
- c. Salt being rationed at some supermarkets.
- d. Mayonnaise, one of the fast selling items, only found in unpopular brands on shelves.
- e. Dry mix pet foods out. Canned pet foods available in all brands.
- f. Business leaders request that the price freeze be lifted.
- g. Business leaders request that additional ships be chartered by the Governor.

8. September 18, 1971

Food wholesalers are operating under a price ceiling and resent increased local transportation costs. One transportation contractor is charging \$36.00 more per container than the other local contractors. This additional freight cost is difficult to absorb under the price ceiling.

9. September 24, 1971

- a. Rice, salt, paste products, beans and peas (dried), cereals, milk and paper products becoming short in supply.
- b. Restaurants purchasing from supermarkets as wholesalers stocks depleted.

10. October 1, 1971

- a. Hospital supplies, such as, sponges, gauze and tubing being airfreighted to Hilo.
- b. Most sales outlets out of rice.

11. October 8, 1971

- a. Rice, beans, macaroni and spaghetti are on the supermarket shelves.
- b. Pet food, dog types are back on sales outlets shelves.
- c. Californian expected from Vancouver on October 15, 1971.

12. October 15, 1971

- a. Rice has been arriving in small quantities but is quickly sold out.
- b. Salt on the shelves of some sales outlets.
- c. Peas and beans, dried, sold out.
- d. Paste products sold out.
- e. Butter sold out at all sales outlets. To be brought in by air freight.
- f. Replenishment expected on Californian.

13. October 22, 1971

- a. During period October 18 through 22, 1971, 180 containers of supplies arrived at port of Hilo. Food items consisted of 40 dry and 6 refrigerated containers.
- b. Hawaiian Princess to discharge 200 containers at Hilo on October 28, 1971.

14. November 19, 1971

Mayor Shunichi Kimura discussed food supply problems with wholesalers.

15. December 1, 1971

- a. Inventories of wholesalers and sales outlets at four weeks supply.
- b. Demurrage charged wholesalers by Matson for containers held over 48 hours. Bunching of containers caused by Matson re-scheduling of ships and instead of loading two, may load seven or nine containers for one wholesaler.

16. December 23, 1971

- a. Mayor Shunichi Kimura authorized County to allocate space for additional supplies to be brought in by wholesalers pending possible strike in January 1972.
- b. Theo H. Davies, Ltd., has made available one warehouse to County, rent free to wholesalers for storage of additional stocks.

17. January 11, 1971

- a. Food wholesalers report inventory supplies available for 90 days normal requirements.
- b. Hospital supplies re-stocked for 60 days average requirements.
- c. Pharmaceutical supplies at all time high of 120 days supply. Supplies are arriving on schedule as ordered from San Francisco but this is not true for Seattle, Portland and Los Angeles where there is considerable strife among the labor unions, ILWU, PMA and Teamsters.

Respectfully submitted,

BOYD M. SHAFFER
Resources & Logistics Officer

BMS:ls



Phones - 935-0031
935-0032

HAWAII COUNTY CIVIL DEFENSE AGENCY

34-A Rainbow Drive
Hilo, Hawaii 96720

January 11, 1972

MEMORANDUM TO: ADMINISTRATOR, HAWAII COUNTY CIVIL DEFENSE AGENCY

SUBJECT: SUPPLIES STOCKED BY WHOLESALERS AND SUPERMARKETS AS OF
JANUARY 11, 1972

1. Wholesalers report difficulty in getting containers from Los Angeles, Seattle, and Portland where strife exists in the open among the unions. Shipments from San Francisco are dependable and satisfactory. East coast ports are dependable for dried shrimp and sardines.

2. Inventories of food supplies are above normal but not equal to the stocks of July 1, 1971. Supplies are not moving and for this reason wholesalers are not re-ordering at this time. Hotels, restaurants and institutional buyers have been buying in larger quantities, consequently, these consumers are in better supply status than on August 1, 1971. Storage capacities of wholesalers are full and, based on '68 consumption rates, staples are adequate for three months.

3. Refrigerated supplies are limited because storage capacities are not stocked beyond 45 days. Continuous replenishment by air freight is necessary on a weekly basis.

4. Stocks on inventory with wholesalers and sales outlets not considering replenishment, and consumption at the '68 rate will last the number of days indicated:

Canned Foods

| | |
|-----------------------|---------|
| Meat Products | 90 days |
| Milk | 90 " |
| Fruits and vegetables | 90 " |
| Soup | 90 " |
| Baby Food | 90 " |
| Coffee | 120 " |

Frozen Foods

| | |
|---------------|---------|
| Beef and Veal | 30 days |
| Pork | 30 " |
| Poultry | 45 " |
| Fish | 30 " |

Packaged Foods

| | |
|--------------------|---------|
| Sugar | 90 days |
| Cereals | 30 " |
| Flour & mixes | 60 " |
| Paste Goods | 60 " |
| Rice | 90 " |
| Dry Milk Solids | 90 " |
| Dried beans & peas | 60 " |

Oils

| | |
|----------------|---------|
| * Cooking Oils | 45 days |
| * Salad Oils | 45 " |

Miscellaneous

| | |
|-------------------|---------|
| Butter | 60 days |
| * Mayonnaise | 45 " |
| Chocolate & cocoa | 90 " |
| Salt | 90 " |

Pet Foods

| | |
|---------|---------|
| Dry mix | 60 days |
| Canned | 120 " |

Other Products

| | |
|------------------|---------|
| Soap | 90 days |
| Soap detergent | 90 " |
| Bleach | 90 " |
| Toilet Tissue | 120 " |
| Sanitary napkins | 180 " |

* - Containers lost overboard on barge towed by American Marine.

Except as noted above, supply levels are adequate at normal '68 consumption rates for 90 days.

Respectfully submitted,

Boyd M. Shaffer
BOYD M. SHAFFER
Resources & Logistics Officer

BMS:ls

EXHIBIT III

OFFICE OF THE MAYOR — County of Hawaii, Hilo, Hawaii 96720

September 3, 1971

SHUNICHI KIMURA
MAYOR

71-9-28

Honorable John A. Burns
Governor
State of Hawaii
State Capitol Building
Honolulu, Hawaii 96813

Dear Governor Burns:

On August 26, 1971, we began the first of a series of weekly calls to major Big Island business firms.

The purpose of this survey is to assess the impact of the shipping tie-up as it relates to the economy of the Big Island, especially employment. Six hundred (600) firms were surveyed. It was reported that thirty (30) firms have released 78 employees since the strike has begun. Businesses anticipate strike-related layoffs to total 218 people by the end of September. By the end of October, the reported layoffs are expected to run to 311 and by the end of November to 349. An additional 67 layoffs were reported as possibilities with expected dates uncertain--thus it is possible that 416 layoffs might come by the end of the next three months.

The layoffs in most instances involved portion of a company's employment. In some cases, however, complete shutdowns of operations are anticipated.

Many business firms could not answer the question "how many do you expect to layoff if the strike continues". Obviously with the prolongation of the strike, other firms will start to see actual layoff situations or potentials. The impact besides the mentioned layoff includes the reduction of work hours by as much as one full day per worker by a few firms. Many of the employers are requesting their workers to take vacations at this time before going into measures such as cutting of hours and layoffs. Understandably, everyone is experiencing operational hardships in one form, shape, or another.

One Big Island major employment sector deserving special attention is the sugar industry. The Big Island sugar companies anticipate normal

operations in terms of employment through September. By the end of that month their bulk sugar and molasses storage capacities are expected to be depleted. They expect to re-evaluate their situation for October. The plantations directly employ some 2,800 workers. If a major layoff occurs in October, then our unemployment roll by October would run an additional 2,800 plus the 250 indicated in our survey--some 3,000 people or greater. The subsequent figures through November then might increase at a large rate as sugar-related industries are affected. A 3,000 unemployment roll as a result of the strike would result in a total unemployment rate for the Big Island of about fifteen percent or 5,000 people. (Our unemployment rate was 6.3 percent before the impact of the strike.)

This survey will run on a weekly basis for the duration of the strike and we will be submitting weekly reports to you.

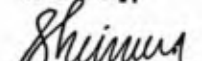
An inventory of the island's food and medical supply indicates adequacy for at least one month. We initially made monthly surveys at the outset, then every two weeks and now we are making weekly food and medical surveys.

We understand that goods are being brought in from the East, Gulf, Canada and other ports. Reportedly, this move incurs greater shipping expenses, and to pass the additional cost to the consumer is obviously a burden, especially coupled with the wage freeze. Families with lower incomes would be hit more severely by such a move. If the importers were forced to operate on a price freeze and at a point when this situation makes it unprofitable, they will cease to look at other ports or their operations.

As you know, we have our Civil Defense agency taking the food and medical survey and our Department of Research and Development surveying the economic impact of the strike.

We appreciate the shipment of chlorine that you arranged for our water and sewer uses. The shipment will alleviate our immediate shortage.

Sincerely,


SHUNICHI KIMURA
Mayor

Enclosure

cc: Dr. Shelley M. Mark
Mr. Wesley Hillendahl
Mr. Robert Hasegawa
Mr. Frederick Erskine
Dr. Wilbur S. Lummis, Jr.

COUNTY OF HAWAII

SHIPPING STRIKE SURVEY 1971

Results of first call - August 29 to 31: Calls were made to businesses requesting information as to impact on employment, specifically the number laid off or to be laid off.

Number of firms contacted: 600

(IMPACT ON EMPLOYMENT)

| <u>Week of</u> | <u>No. of Firms Releasing Employees</u> | <u>No. of Employees To Be Released</u> | <u>Running Total</u> |
|-------------------|---|--|--------------------------|
| Past | 30 | 78 | 78 |
| August 29 | 6 | 21 | 99 |
| September 5 | 6 | 18 | 117 |
| September 12 | 5 | 17 | 134 |
| September 19 | 5 | 17 | 151 |
| September 26 | 12 | 67 | 218 |
| October 3 | 5 | 32 | 250 |
| October 10 | 1 | 1 | 251 |
| October 17 | 1 | 32 | 283 |
| October 31 | 8 | 28 | 311 |
| November 7 | 1 | 1 | 312 |
| November 14 | 1 | 8 | 320 |
| November 21 | 1 | 2 | 322 |
| November 28 | 7 | 27 | 349 |
| Unsure as to date | 23 | 67 | 416 |

Number of firms anticipating layoffs: 79

SHIPPING STRIKE IMPACT BY INDUSTRY
August 31, 1971

| Industry | No. of Firms Contacted | Past Layoffs | | Layoffs by Last Week of Following Months | | | | | | Unsure As To Week | |
|----------------|---------------------------|-----------------|-------|--|-------|-----------------|-------|-----------------|-------|----------------------|-------|
| | | No. of Firms | Empl. | September | | October | | November | | No. of Firms | Empl. |
| | | | | No. of Firms | Empl. | No. of Firms | Empl. | No. of Firms | Empl. | | |
| Hotels | 15 | - | - | 1 | 5 | - | - | - | - | - | - |
| Services | 165 | 2 | 2 | 2 | 7 | 1 | N/A | - | - | 10 | 19 |
| Retail | 176 | 9 | 20 | 8 | 23 | 11 | 65 | 11 | 34 | 1 | N/A |
| Wholesale | 61 | 4 | 7 | 3 | 3 | 1 | 12 | - | - | 2 | 5 |
| Utilities | 5 | - | - | - | - | - | - | - | - | - | - |
| Manufacturing | 60 | 5 | 18 | 6 | 60 | 1 | 8 | - | - | - | - |
| Construction | 73 | 8 | 27 | 14 | 42 | 3 | 8 | 2 | 4 | 9 | 33 |
| Transportation | 35 | 2 | 4 | - | - | - | - | - | - | 2 | 10 |
| *Sugar | 10 | - | - | - | - | - | - | - | - | - | - |

* Normal operation expected through September. Re-evaluation for month of October (sugar employs 2,850 workers).



FOR RELEASE: SUNDAY
 SEPTEMBER 12, 1971
 6:00 a.m.

OFFICE OF THE MAYOR — county of hawaii, hilo, hawaii 96720

September 10, 1971

SHUNICHI KIMURA
 MAYOR

71-9-47

Honorable John A. Burns
 Governor
 State of Hawaii
 State Capitol Building
 Honolulu, Hawaii 96813

Dear Governor Burns:

The enclosed tables consists of the results of the second weekly strike impact survey on the Big Island's economy. The same format as the initial survey was used.

Businessmen throughout the County of Hawaii were queried as to the effect the strike has on their employment. Four hundred and three (403) firms of the six hundred (600) contacted during the first week's survey were questioned during the week of September 5, 1971. The number surveyed was considerably less than the initial poll because a more refined business list was used. Some of the firms contacted during the first week indicated that they did not want to be recontacted this week or felt that the strike will have no impact on their employment.


Of the 403 firms contacted during the current survey, 88 percent indicated no change from their original estimate. However, the total number of anticipated layoffs increased from 416 to 441. The results of the second call, depicted in Table 1, shows a large number of layoffs occurring during the week of September 5. One manufacturer indicated that 60 people were temporarily laid off during this week, due to both directly and indirectly to the strike.

By the end of September a total of 279 people could be laid off, 366 by October and 406 by November. An additional 35 employees were expected to be released without a definite date. This will bring the total to 441. A few firms indicated that they have been forced to shutdown operations. However, in most cases the layoffs constitute a part of a firm's total employment. In many cases part-time workers were first to go.

It was noticed that several of the businessmen who first indicated "no impact" were now more uncertain of the future affect of the strike on their employment. Many firms have workers on shorter hours and forced vacations.

We will be continuing these weekly surveys and will keep you informed.

Sincerely,


 JUNICHI KIMURA
 Mayor

Enclosures - 2

cc: Dr. Shelley M. Mark
 Mr. Wesley Hillendahl
 Mr. Robert Hasegawa
 Mr. Frederick Erskine
 Dr. Wilbur S. Lumsis, Jr.

COUNTY OF HAWAII

SHIPPING STRIKE SURVEY 1971

Results of second call - Sept. 5 to 11: The following anticipated layoffs are the results from the second weekly survey of businesses. Comparisons with the first survey which was conducted during the week of August 29 (first call) are shown below.

Number of firms contacted: First Call - 600; Second Call - 403¹

TABLE 1. LAYOFFS BY WEEK

| Week Of | No. of Firms Releasing Employees | | No. of Layoffs | | Running Total of Layoffs | |
|-------------------|-------------------------------------|----------|----------------|----------|-----------------------------|----------|
| | 1st Call | 2nd Call | 1st Call | 2nd Call | 1st Call | 2nd Call |
| Past | 30 | 30 | 78 | 78 | 78 | 78 |
| August 29 | 6 | 7 | 21 | 17 | 99 | 95 |
| September 5 | 6 | 18 | 18 | 108 | 117 | 203 |
| September 12 | 5 | 5 | 17 | 14 | 134 | 217 |
| September 19 | 5 | 9 | 17 | 23 | 151 | 240 |
| September 26 | 12 | 14 | 67 | 39 | 218 | 279 |
| October 3 | 5 | 5 | 32 | 58 | 250 | 337 |
| October 10 | 1 | - | 1 | - | 251 | 337 |
| October 17 | 1 | 2 | 32 | 9 | 283 | 346 |
| October 31 | 8 | 6 | 28 | 20 | 311 | 366 |
| November 7 | 1 | 2 | 1 | 16 | 312 | 382 |
| November 14 | 1 | 2 | 8 | 5 | 320 | 387 |
| November 21 | 1 | 2 | 2 | 5 | 322 | 392 |
| November 28 | 7 | 4 | 27 | 14 | 349 | 406 |
| Unsure as to date | 23 | 12 | 67 | 35 | 416 | 441 |
| TOTALS | 112 | 118 | 416 | 441 | | |

¹The calling list was refined. Several firms felt that there will be no impact on their employment and did not wish to be called back.

TABLE 2: SHIPPING STRIKE IMPACT BY INDUSTRY
As of September 11, 1971

| Industry | No. of Firms Contacted | Past Layoffs | | Layoffs by Last Week of Following Months | | | | | | Unsure As To Week | |
|----------------|---------------------------|-----------------|-------|--|-------|-----------------|-------|-----------------|-------|----------------------|-------|
| | | No. of Firms | Empl. | September | | October | | November | | No. of Firms | Empl. |
| | | | | No. of Firms | Empl. | No. of Firms | Empl. | No. of Firms | Empl. | | |
| Hotels | 14 | - | - | - | - | - | - | - | - | - | - |
| Services | 64 | 2 | 2 | 8 | 17 | - | - | - | - | 8 | 17 |
| Retail | 150 | 9 | 20 | 13 | 39 | 5 | 18 | 6 | 20 | 1 | 2 |
| Wholesale | 41 | 4 | 7 | 7 | 12 | 1 | 12 | - | - | 2 | 5 |
| Utilities | 4 | - | - | - | - | - | - | - | - | - | - |
| Manufacturing | 45 | 5 | 18 | 6 | 70 | 1 | 8 | - | - | - | - |
| Construction | 54 | 8 | 27 | 20 | 59 | 5 | 22 | 3 | 12 | 3 | 16 |
| Transportation | 39 | 2 | 4 | 2 | 3 | - | - | - | - | - | - |
| *Sugar | 10 | - | - | - | - | - | - | - | - | - | - |

*Normal operation expected through September. Re-evaluation for month of October (sugar employs 2,850 workers).

FOR RELEASE: SUNDAY
SEPTEMBER 19, 1971
6:00 A.M.



OFFICE OF THE MAYOR — county of hawaii, hile, hawaii 96720

September 17, 1971

SHUNICHI KIMURA
MAYOR

71-9-65

Honorable John A. Burns
Governor
State of Hawaii
State Capitol Building
Honolulu, Hawaii 96813

Enclosed are the results of the third weekly survey on the impact of the shipping strike on Big Island businesses. The same format as the first two surveys was used.

Businessmen throughout Hawaii County were asked about layoff expectations. Four hundred and one (401) firms were contacted during the week of September 12, 1971. Of these 401 firms, thirty-two (32) had some change from their previous weeks' assessment of the impact on their employment. Although the total number of past and expected layoffs dropped from 441 to 436, the number of firms involved rose by 15 to 133.

The projected layoffs through November at the third week's census appears to be the same, but the actual time of layoffs seem to have moved up slightly. A total of 218 workers have already been released. By the last week of September, 301 may occur; by October, 389 and by November 420. Including the 16 layoffs which may occur any time during the next three months, the number of employees released could reach 436.


There were several firms who have already shut down operations due to lack of supplies. The industrial sectors experiencing the greatest difficulties are manufacturing and construction. More workers have been placed on shortened work weeks and on forced vacations. Several firms have cut back their services.

Several retailers have expressed concern of an irrecoverable loss of Christmas businesses if shipping is not resumed immediately. Many of the retailers are family operations without sufficient resources to continue under this situation.

The sugar plantations, a key economic sector of our County, indicated that they will continue normal operations through September and will re-evaluate their storage inventory during October.

Other agricultural industries have been surveyed by the University of Hawaii Cooperative Extension Service. Pockets of problems have been occurring such as the lack of necessary supplies and feed for farm operations. Several exporters have rapidly diminishing supplies of packing material.

These weekly surveys will continue and we will keep you informed.


Shinichi Kimura
Mayor

SK:gm

Enclosure

cc: Dr. Shelley M. Mark
Mr. Wesley Hillendahl
Mr. Robert Hasegawa
Mr. Frederick Erskine
Dr. Wilbur S. Lummis, Jr.

COUNTY OF HAWAII
SHIPPING STRIKE SURVEY 1971

Results of third call - September 13 & 14: The following layoffs--past and anticipated--are the results from the third weekly survey of businesses. Comparisons with the first and second survey calls are shown below.

Number of firms contacted: First Call - 600; Second Call - 403¹; Third Call - 401

TABLE 1. LAYOFFS BY WEEK

| Week of | No. of Firms Releasing Employees | | | No. of Layoffs | | | Running Total of Layoffs | | |
|-------------------|-------------------------------------|-------------|-------------|----------------|-------------|-------------|-----------------------------|-------------|-------------|
| | 1st Call | 2nd Call | 3rd Call | 1st Call | 2nd Call | 3rd Call | 1st Call | 2nd Call | 3rd Call |
| Past | 30 | 30 | 30 | 78 | 78 | 78 | 78 | 78 | 78 |
| August 29 | 6 | 7 | 33 | 21 | 17 | 140 | 99 | 95 | 218 |
| September 5 | 6 | 18 | | 18 | 108 | | 117 | 203 | |
| September 12 | 5 | 5 | 10 | 17 | 14 | 18 | 134 | 217 | 236 |
| September 19 | 5 | 9 | 9 | 17 | 23 | 21 | 151 | 240 | 257 |
| September 26 | 12 | 14 | 18 | 67 | 39 | 44 | 218 | 279 | 301 |
| October 3 | 5 | 5 | 6 | 32 | 58 | 52 | 250 | 337 | 353 |
| October 10 | 1 | - | 1 | 1 | - | 1 | 251 | 337 | 354 |
| October 17 | 1 | 2 | 4 | 32 | 9 | 14 | 283 | 346 | 368 |
| October 31 | 8 | 6 | 7 | 28 | 20 | 21 | 311 | 366 | 389 |
| November 7 | 1 | 2 | 1 | 1 | 16 | 1 | 312 | 382 | 390 |
| November 14 | 1 | 2 | 4 | 8 | 5 | 8 | 320 | 387 | 398 |
| November 21 | 1 | 2 | 1 | 2 | 5 | 2 | 322 | 392 | 400 |
| November 28 | 7 | 4 | 5 | 27 | 14 | 20 | 349 | 406 | 420 |
| Unsure as to date | 23 | 12 | 4 | 67 | 35 | 16 | 416 | 441 | 436 |
| TOTALS | 112 | 118 | 133 | 416 | 441 | 436 | | | |

¹The calling list was refined. Several firms felt that there will be no impact on their employment and did not wish to be called back.

TABLE 2: SHIPPING STRIKE IMPACT BY INDUSTRY
September 16, 1971
(Third Call)

| Industry | No. of Firms Contacted | Past Layoffs | | Layoffs by Last Week of Following Months | | | | | | Unsure As To Week | |
|----------------|---------------------------|-----------------|-------|--|-------|-----------------|-------|-----------------|-------|----------------------|-------|
| | | No. of Firms | Empl. | September | | October | | November | | No. of Firms | Empl. |
| | | | | No. of Firms | Empl. | No. of Firms | Empl. | No. of Firms | Empl. | | |
| Hotels | 14 | - | - | 1 | 5 | - | - | - | - | - | - |
| Services | 64 | 7 | 12 | 7 | 7 | - | - | - | - | - | - |
| Retail | 150 | 14 | 35 | 13 | 36 | 11 | 26 | 9 | 26 | - | - |
| Wholesale | 43 | 13 | 21 | 2 | 2 | 1 | 12 | - | - | - | - |
| Utilities | 4 | - | - | - | - | - | - | - | - | - | - |
| Manufacturing | 48 | 6 | 78 | 2 | 11 | 2 | 36 | - | - | - | - |
| Construction | 64 | 17 | 71 | 12 | 26 | 4 | 14 | 2 | 5 | 2 | 7 |
| Transportation | 28 | 5 | 8 | 1 | 1 | - | - | - | - | 2 | 9 |
| Sugar | 10 | - | - | - | - | - | - | - | - | - | - |

*Normal operation expected through September. Re-evaluation for month of October (sugar employs 2,850 workers).



FOR RELEASE: SUNDAY
SEPTEMBER 26, 1971
6:00 a.m.

OFFICE OF THE MAYOR — county of hawaii, hilo, hawaii 96720

September 23, 1971

SHUNICHI KIMURA
MAYOR

71-9-102

Honorable John A. Burns
Governor
State of Hawaii
State Capitol Building
Honolulu, Hawaii 96813

We have completed the fourth poll in a series of weekly calls of Big Island businesses to ascertain the impact of the shipping strike on our economy. Enclosed are the results of the fourth survey.

Local businessmen during the week of September 19, 1971, were again asked about the effect of the strike on their employment. A total of 337 firms were contacted. There was little change from the previous survey as can be seen in Table 1.

Four (4) firms—two in manufacturing and two in construction—were already shut down due to lack of supplies. There were a total of 21 employees in these firms. Seven (7) more businesses—two in manufacturing, two in construction, three in retail—indicated that they will be forced to shut down operations within three weeks.

Construction and manufacturing firms have been hit hardest by the strike. Many construction firms are affected by both a "slow" year and the lack of materials to start or complete jobs. Manufacturing operations are being hampered by lack of supplies, including packaging material, salt and other items necessary to process products, and by the lack of a feasible means of exporting their products. The loss of market areas in the mainland was also a concern for many exporters.

An additional question added in this week's survey was the number of employees whose hours have been shortened (see Table 3). Of the 370 previous full-time workers who had shortened hours, over two-thirds are working at least one day less per week.

Firms previously unaffected are now complaining of a definite slack in their businesses. Estimates ranging from 25 percent to 50 percent less sales have been expressed. The situation with sugar still remains fairly stable.

We will continue to keep you informed of our situation. If there are any questions regarding this survey, please contact me.


KENICHI KIKUTA
Mayor

SKiva

Enclosures

cc: Dr. Shelley M. Mark
Mr. Wesley Hillendahl
Mr. Robert Hasegawa
Mr. Frederick Erskine
Dr. Wilbur S. Lumsis, Jr.

COUNTY OF HAWAII
SHIPPING STRIKE SURVEY 1971

No. of Firms Contacted: First Call - 600; Second Call - 403¹; Third Call - 401; Fourth Call - 337¹

TABLE 1: LAYOFFS BY WEEK
September 21 & 22, 1971
(Fourth Call)

| Week of | No. of Firms Releasing Employees | | | | No. of Layoffs | | | | Running Total of Layoffs | | | |
|-------------------|----------------------------------|----------|----------|----------|----------------|----------|----------|----------|--------------------------|----------|----------|----------|
| | 1st Call | 2nd Call | 3rd Call | 4th Call | 1st Call | 2nd Call | 3rd Call | 4th Call | 1st Call | 2nd Call | 3rd Call | 4th Call |
| Past | 30 | 37 | 63 | 68 | 78 | 95 | 218 | 230 | 78 | 95 | | |
| August 29 | 6 | 18 | | | 21 | 106 | | | 99 | 203 | 219 | |
| September 5 | 6 | | | | 18 | 14 | 18 | | 117 | 217 | 236 | 230 |
| September 12 | 5 | 5 | 10 | | 17 | | | | 134 | | | |
| September 19 | 5 | 9 | 9 | 9 | 17 | 23 | 21 | 27 | 151 | 240 | 257 | 257 |
| September 26 | 12 | 14 | 19 | | 67 | 39 | 44 | 14 | 218 | 279 | 301 | 271 |
| October 3 | 5 | 5 | 6 | 10 | 32 | 58 | 52 | 46 | 250 | 337 | 353 | 317 |
| October 10 | 1 | 1 | 1 | 3 | 1 | - | 1 | 7 | 251 | 337 | 354 | 324 |
| October 17 | 1 | 2 | 4 | 3 | 32 | 9 | 14 | 10 | 283 | 346 | 369 | 334 |
| October 24 | - | - | - | 1 | - | - | - | 24 | 283 | 346 | 369 | 352 |
| October 31 | 8 | 6 | 7 | 5 | 29 | 20 | 21 | 13 | 311 | 366 | 389 | 371 |
| November 7 | 1 | 2 | 1 | 1 | 1 | 16 | 1 | 1 | 312 | 382 | 390 | 372 |
| November 14 | 1 | 2 | 4 | 1 | 8 | 5 | 9 | 3 | 320 | 397 | 398 | 375 |
| November 21 | 1 | 2 | 1 | 2 | 2 | 5 | 2 | 3 | 322 | 392 | 400 | 378 |
| November 28 | 7 | 4 | 5 | 2 | 27 | 14 | 20 | 5 | 349 | 406 | 420 | 383 |
| Unsure as to date | 23 | 12 | 4 | 22 | 67 | 35 | 16 | 47 | 416 | 441 | 435 | 430 |
| TOTALS | 112 | 118 | 133 | 136 | 416 | 471 | 436 | 430 | | | | |

¹The calling list was refined. Firms having no effect and who did not wish to be contacted were omitted.

TABLE 2: SHIPPING STRIKE IMPACT BY INDUSTRY
September 23, 1971
(Fourth Call)

| Industry | No. of Firms Contacted | Past Layoffs | | Layoffs by Last Week of Following Months | | | | | | Unsure As To Week | |
|----------------|---------------------------|-----------------|-------|--|-------|-----------------|-------|-----------------|-------|----------------------|-------|
| | | No. of Firms | Empl. | September | | October | | November | | No. of Firms | Empl. |
| | | | | No. of Firms | Empl. | No. of Firms | Empl. | No. of Firms | Empl. | | |
| Hotels | 10 | - | - | - | - | 1 | 24 | - | - | - | - |
| Services | 56 | 7 | 17 | 2 | 2 | - | - | - | - | 9 | 1 |
| Retail | 85 | 16 | 33 | 5 | 10 | 10 | 25 | 4 | 4 | 3 | 6 |
| Wholesale | 44 | 11 | 25 | 1 | 1 | 2 | 13 | - | - | 1 | 2 |
| Utilities | 4 | - | - | - | - | - | - | - | - | - | - |
| Manufacturing | 47 | 9 | 87 | - | - | 4 | 38 | - | - | 4 | 13 |
| Construction | 65 | 12 | 60 | 10 | 27 | 6 | 16 | 3 | 6 | 5 | 8 |
| Transportation | 28 | 4 | 8 | - | - | - | - | - | - | - | - |
| * Sugar | 10 | - | - | - | - | - | - | - | - | - | - |

*Normal operation expected through September. Re-evaluation for month of October (sugar employs 2,550 workers).

TABLE 3: EMPLOYEES WITH SHORTENED WORK WEEKS
September 23, 1971

| Industry | No. of Firms Affected | No. of Workers | Hours Cut Per Week |
|----------------|--------------------------|----------------|-----------------------|
| Manufacturing | 2 | 30 | 8 |
| Construction | 7 | 110 | 8 |
| | 1 | 3 | 12 |
| Transportation | 1 | 10 | 4 |
| Wholesaling | 2 | 33 | 5 |
| | 1 | 6 | 8 |
| Retailing | 1 | 11 | 3 |
| | 1 | 19 | 6 |
| | 2 | 71 | 8 |
| | 1 | 4 | 20 |
| Hotels | 1 | 12 | 10 |
| Services | 1 | 40 | 2 |
| | 1 | 2 | 5 |
| | 1 | 10 | 10 |
| | 1 | 15 | 20 |
| | 1 | 4 | 34 |
| TOTALS | 25 | 370 | |



FOR RELEASE: SUNDAY
OCTOBER 17, 1971
6:00 a.m.

OFFICE OF THE MAYOR — county of hawaii, hila, hawaii 96720

October 14, 1971

SHUNICHI KIMURA
MAYOR

71-10-40

Honorable John A. Burns
Governor
State of Hawaii
State Capitol Building
Honolulu, Hawaii 96813

Enclosed are the results of the fifth weekly survey on the impact of the West Coast dock strike on Big Island businesses. This poll was conducted on October 4 and 5. During the previous week no poll was conducted.

The interviewers had already begun their calling of firms when the President's decision to invoke the Taft-Hartley Act was announced. Although shipping will be resumed, we have decided to complete this survey.

The news of the Taft-Hartley order obviously had a bearing on the survey results. Several firms previously anticipating large number of layoffs did not indicate so during this survey. It was also discovered that a manufacturer who released 60 workers because of direct and indirect effects of the strike has hired back all but 5 of the laid off employees. This one firm substantially reduced the number of past layoffs.

During this fifth call, 416 firms were contacted. Of these firms 111 indicated that the strike had little or no impact on their businesses and employment. The remaining 305 firms (73%) had some kind of operational difficulty and/or experienced a lower sales volume which can be directly attributed to the shipping strike. There are about 115 firms who had laid off or who anticipated releasing some workers.

Approximately 30 firms who previously indicated layoffs reported less or no workers to be released. This can be largely attributed to the news of the Taft-Hartley order of the President. However, about 25 new firms indicated past or potential layoffs. (The number of persons involved in the newly affected firms was small.)

According to the poll, the total number of people unemployed as a result of the strike, up to the end of September, was 201. By the end of October the total could be 244; by the last week of November, 202; and 317 including those unsure of the exact week.

Construction has been most severely affected with 78 layoffs and with three firms closed. Direct (lack of work) and indirect (constant layoff) effects of the shipping strike have become more noticeable in retailing. A number of retailers, who previously were unaffected, were reporting loss of sales and layoffs during this latest poll.

Manufacturers contacted were still reporting difficulties in import and export of goods. Two firms were closed and another three were still worried about possible shutting down.

There were 33 firms who reported placing their employees on shortened work weeks ranging from two hours less to 21. Some 535 employees worked less hours due to the strike. The average employee affected was cut back one day per week.

If there are any questions regarding this survey, please contact me.

Shunichi Kikura
SHUNICHI KIKURA
Mayor

SK:va

Enclosure

cc: Dr. Shelley M. Mark
Mr. Wesley Hillebrandt
Mr. Robert Hasegawa
Mr. Frederick Brakine
Dr. Wilbur E. Lewis, Jr.

TABLE 1. NUMBER OF FIRMS LAYING OFF EMPLOYEES
October 4 & 5, 1971
(Fifth Call)

| Week of | 1st Call Aug. 30-31 | 2nd Call Sept. 7-9 | 3rd Call Sept. 13-14 | 4th Call Sept. 20-21 | 5th Call Oct. 4-5 |
|---------------------------|------------------------|-----------------------|-------------------------|-------------------------|----------------------|
| Past | 30 | 37 | 63 | 68 | 69 |
| August 29 | 6 | | | | |
| Sept. 5 | 6 | 18 | | | |
| Sept. 12 | 5 | 5 | 10 | | |
| Sept. 19 | 5 | 9 | 9 | 9 | |
| Sept. 26 | 12 | 14 | 18 | 9 | |
| October 3 | 5 | 5 | 6 | 10 | 14 |
| October 10 | 1 | - | 1 | 3 | 1 |
| October 17 | 1 | 2 | 4 | 3 | 2 |
| October 24 | - | - | - | 1 | 1 |
| October 31 | 8 | 6 | 7 | 5 | 4 |
| Nov. 7 | 1 | 2 | 1 | 1 | 1 |
| Nov. 14 | 1 | 2 | 4 | 1 | 3 |
| Nov. 21 | 1 | 2 | 1 | 2 | 1 |
| Nov. 28 | 7 | 4 | 5 | 2 | 4 |
| Unsure As To Date | 23 | 12 | 4 | 22 | 15 |
| TOTALS | 112 | 118 | 133 | 136 | 115 |
| No. of Firms Contacted | 600 | 403 | 401 | 323 | 416 |

TABLE 2. NUMBER OF LAYOFFS BY WEEK
October 4 & 5, 1971
(Fifth Call)

| Week of | 1st Call | 2nd Call | 3rd Call | 4th Call | 5th Call |
|----------------------|----------|----------|----------|----------|------------------|
| Past | 78 | 95 | 218 | 231 | 201 ¹ |
| August 29 | 21 | | | | |
| Sept. 5 | 18 | 103 | | | |
| Sept. 12 | 17 | 14 | 18 | | |
| Sept. 19 | 17 | 23 | 21 | 28 | |
| Sept. 26 | 67 | 39 | 44 | 14 | |
| October 3 | 32 | 58 | 52 | 47 | 23 |
| October 10 | 1 | - | 1 | 7 | 3 |
| October 17 | 32 | 9 | 14 | 10 | 3 |
| October 24 | - | - | - | 24 | 2 |
| October 31 | 23 | 20 | 21 | 13 | 12 |
| Nov. 7 | 1 | 16 | 1 | 1 | 2 |
| Nov. 14 | 8 | 5 | 8 | 4 | 24 |
| Nov. 21 | 2 | 5 | 2 | 3 | 2 |
| Nov. 28 | 27 | 14 | 20 | 8 | 10 |
| Unsure As To Date | 67 | 35 | 16 | 48 | 35 |
| TOTALS | 416 | 441 | 436 | 438 | 317 |

¹ One firm hired back 55 of the 60 workers which were laid off.

TABLE 3. RUNNING TOTALS
NUMBER OF PERSONS LAID OFF BY WEEK
October 4 & 5, 1971
(Fifth Call)

| Week of | 1st Call | 2nd Call | 3rd Call | 4th Call | 5th Call |
|----------------------|----------|----------|----------|----------|----------|
| Past | 78 | | | | |
| August 29 | 99 | 95 | | | |
| Sept. 5 | 117 | 203 | 218 | | |
| Sept. 12 | 134 | 217 | 236 | 231 | |
| Sept. 19 | 151 | 240 | 257 | 259 | |
| Sept. 26 | 218 | 279 | 301 | 273 | 201 |
| October 3 | 250 | 337 | 353 | 320 | 224 |
| October 10 | 251 | 337 | 354 | 327 | 227 |
| October 17 | 233 | 346 | 368 | 337 | 230 |
| October 24 | 283 | 346 | 368 | 361 | 232 |
| October 31 | 311 | 366 | 399 | 374 | 244 |
| Nov. 7 | 312 | 382 | 390 | 375 | 246 |
| Nov. 14 | 320 | 387 | 398 | 379 | 270 |
| Nov. 21 | 322 | 392 | 400 | 382 | 272 |
| Nov. 28 | 349 | 406 | 420 | 390 | 282 |
| Unsure As To Date | 416 | 441 | 436 | 438 | 317 |

TABLE 4. SHIPPING STRIKE IMPACT BY INDUSTRY
October 4 & 5, 1971
(Fifth Call)

| Industry | No. of Firms Contacted | Past Layoffs | | Layoffs by Last Week of Following Months | | | Unsure As To Week | |
|----------------|---------------------------|-----------------|-------|--|-------|-----------------|----------------------|-------|
| | | No. of Firms | Empl. | No. of Firms | Empl. | No. of Firms | No. of Firms | Empl. |
| Hotels | 20 | - | - | - | - | 1 | - | - |
| Services | 58 | 8 | 18 | 3 | 6 | 1 | 2 | 4 |
| Retail | 147 | 19 | 44 | 4 | 5 | 6 | 3 | 4 |
| Wholesale | 43 | 9 | 21 | 2 | 2 | - | 1 | 2 |
| Utilities | 3 | - | - | - | - | - | - | - |
| Manufacturing | 48 | 9 | 32 | 2 | 5 | - | 4 | 15 |
| Construction | 66 | 20 | 78 | 11 | 25 | 1 | 5 | 10 |
| Transportation | 31 | 4 | 8 | - | - | - | - | - |
| TOTALS | 416 | 69 | 201 | 22 | 43 | 9 | 15 | 35 |

TABLE 5. EMPLOYEES WITH SHORTENED WORK WEEKS
October 4 & 5, 1971
(Fifth Call)

| Industry | No. of Firms Affected | No. of Workers | Hours Cut Per Week |
|----------------|--------------------------|----------------|-----------------------|
| Manufacturing | 1 | 3 | 5 |
| | 1 | 15 | 8 |
| Construction | 5 | 111 | 8 |
| | 1 | 3 | 12 |
| Transportation | 1 | 4 | 4 |
| | 2 | 6 | 8 |
| Wholesaling | 1 | 7 | 4 |
| | 1 | 26 | 5 |
| | 1 | 6 | 8 |
| Retailing | 3 | 22 | 5 |
| | 1 | 19 | 6 |
| | 5 | 83 | 8 |
| | 2 | 8 | 10 |
| Services | 1 | 40 | 2 |
| | 1 | 2 | 5 |
| | 1 | 3 | 8 |
| | 2 | 14 | 10 |
| | 1 | 1 | 16 |
| | 1 | 15 | 20 |
| | 1 | 7 | 28 |
| TOTALS | 33 | 395 | |

EXHIBIT IV

OFFICE OF THE MAYOR — county of hawaii, hilo, hawaii 96720

September 17, 1971

SHUNICHI KIMURA
MAYOR

71-9-66

Mr. Lawrence Dunn, Deputy Director
Office of Emergency Preparedness
Federal Building
450 Golden Gate Avenue, Room 2029
San Francisco, California

This letter will confirm the telephone call made this morning to you by M. O. Isherwood, Sr., Hawaii County Civil Defense Administrator, with reference to the referral to the Office of Emergency Preparedness by the President's Cost of Living Council of a request from Governor John Burns of Hawaii for an exemption from the price freeze as it applies to food, grocery products and animal feed. It was explained that Hawaii's prices have always been based on cost of the goods plus the cost of transportation with a markup to cover the local operational cost.

Prior to the shipping strike, a large majority of the goods used in Hawaii were shipped from West Coast ports with a small percentage being shipped through Gulf and East Coast centers. With the shipping strike in effect on the West Coast, all goods coming by ocean freight have been shipped through Vancouver, Canada, or from the Gulf and East Coast ports resulting in transportation costs running approximately three times greater than transportation costs before the strike. Additionally, shipments by air have doubled and in some cases tripled weekly at much higher landed costs. Prices on fresh vegetables, on which the price freeze does not apply, are running two to three times higher than before the strike.

Hawaii is the only state that has to rely on water or air transportation. We do not have the alternative of land transportation available to the other states, including Alaska.

You questioned whether our request is the same as that of Senator Hiram Fong. Our reply was that we are not cognizant of the contents of Senator Fong's communication, that we are primarily concerned with the health and welfare of the people of the County of Hawaii and that we fully support the request made by Governor Burns for consideration of an exemption from the price freeze of the extra transportation costs on food and feed products for the State of Hawaii.

Even though the shipping strike might be over on any given day, it would be 60 to 90 days before supplies would be received in a normal manner.

Any action on your part that would expedite a reply from the Office of Emergency Preparedness to the President's Cost of Living Council relative to the referral to the OEP of Hawaii's request would be appreciated.

Shunichi Kimura
Mayor

SK:gm

bcc: Honorable John A. Burns
Mr. Hyron Isherwood
✓ Research & Development

COPY

OFFICE OF THE MAYOR — county of Hawaii, Hilo, Hawaii 96720

September 16, 1971

Mr. George Shiroma
District Director
Small Business Administration
1149 Bethel Street, Room 402
Honolulu, Hawaii 96813

Dear Sir:

As you are aware, the West Coast shipping strike is adversely affecting our total economy. In an insular situation such as ours, all businesses suffer with the stopping of the flow of goods.

In a survey taken the week of August 29 of businesses in the County of Hawaii, projected layoffs by the end of September shows 7.2 percent; at the end of October, 7.5 percent; and by the end of November, 15.3 percent. These figures do not include the Big Island's major industry, sugar, which is currently in operation but is faced with storage saturation. If the sugar industry closes down, an additional 9 percent can be added to the above cited percentages.

Understandably, as the strike continues, these figures will further increase. Retail merchants, for example, who rely on Christmas season trade will not be able to realize their sales volume since goods necessary will not be forthcoming. The latter adversity is possible even if the strike were to end shortly since the backlog of goods might create a too late delivery. Such an adverse economic situation obviously will require extraordinary aid to small businesses. Therefore we are inquiring of the possibility of special SBA programs.

It is our understanding that the SBA has made available low-interest, long-term disaster or economic injury loans. While disaster loans have been granted as a result of natural causes, it is our understanding that such declarations have been made in cases such as the Watts situation and in a similar case where the transit strike affected businesses.

We would appreciate your help in investigating our plight and a determination as to when and under what circumstances the aforementioned economic injury loans can be made available to our businessmen.

We will try to aid in whatever efforts would be necessary for such determination. An early and favorable reply to this query will be appreciated.

Sincerely,

SHUNICHI KIMURA
Mayor

LS:ln

bcc: R&D Dept.

EXHIBIT V

SUPPORT HAWAII
CATTLE INDUSTRY

HAWAII CATTLEMEN'S COUNCIL, INC.
HONOLULU, HAWAII

May 30, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura,

Thank you for affording me this opportunity to express the concern of Hawaii's cattlemen over the threat of future shipping strikes, and their affect on the State's cattle industry.

Our primary area of concern is that of grain shortages for cattle in feedyards and those cattle on supplemental feeding programs on the ranches, during the duration of a shipping strike. Strike threats, and past experiences with shipping tieups have resulted in the necessity of stockpiling feed grain. In most cases, a five month supply of grain is being stockpiled as a preventive measure should a strike occur in the future. Stockpiling increases costs considerably, due to the additional cost of grain warehousing, and in some cases, prevents feedlot operators from taking advantage of fluctuations in the grain market due to lack of warehouse facilities presently being used for stockpiling.

Another area of concern to ranchers is the effect that shipping strikes have on shipments of beef to Hawaii from the U. S. Mainland. At present, the U. S. Mainland supplies approximately 25% of the State's market supply of beef. Hawaii's beef industry, not being in the position to supply the entire State's market, is dependent upon these shipments to meet the State's demand for beef.

In the event of a shipping strike, this beef must be airfreighted to the islands, almost always on a space available basis, thereby sharply increasing the carcass cost, and therefore the retail cost of beef cuts, to the consumer. In like manner, since the price of beef produced in the State is based on the West Coast price plus freight, the cost of locally produced beef likewise increases.

Extreme shortages of fertilizer and herbicides, essential to the good stewardship of our lands, and also of veterinary and medical supplies, essential to the health and well being of our beef cattle, are not uncommon during a shipping strike, and work a further hardship on the rancher. In many cases, these shortages increase the rancher's costs considerably. Increased costs of production invariably result in higher beef prices to the consumer.

745 Fort Street, Suite 504 - Honolulu, Hawaii 96813

Generally, it is the purpose of the cattlemen in Hawaii to continue to produce top quality beef at reasonable prices, for Hawaii's people. As you can see from the above examples I have cited, crippling shipping strikes impede our progress in reaching this goal. Aside from this factor, strikes have also raised havoc with our marketing programs, and have interfered with an orderly marketing program so essential to planning to meet the future demands for beef in Hawaii.

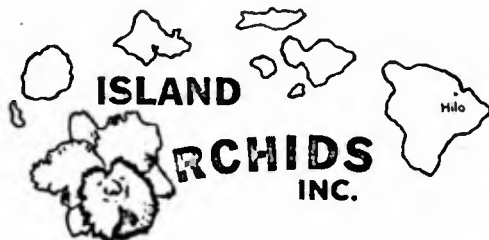
With these thoughts in mind, may I ask that you use your good offices to assist Hawaii's cattlemen in bringing this situation to the attention of our Congressional delegation, so that Hawaii, a state so dependent on shipping to meet its needs, may be exempted from future shipping strikes.

Thank you very much for your kind consideration of this matter, and I look forward to hearing from you in the near future.

Sincerely yours,

William J. Paris, Jr.
 William J. Paris, Jr., President
 Hawaii Cattlemen's Association

WJP:ja



May 31, 1973

The Honorable Shunichi Kimura
 Mayor of the County of Hawaii
 County Building
 25 Aupuni Street
 Hilo, Hawaii 96720

Dear Mr. Mayor:

I am writing to you regarding proposed bills HR 7189 and S 1566.

As we all know when there is a surface strike, all the people and industries of Hawaii are greatly effected by it. Many people do not realize how adversely it does effect the Floral industry as all of our out-bound shipping is via air freight. What is not taken into consideration are the various and many packing supplies such as boxes, orchid tubes, staples, and many other things that are all supplied from the mainland. Also in the growing of flowers there are many things such as fertilizers, pesticides, and fungicides that again all come from the mainland. When a strike is eminent, we try to stockpile enough materials to last it out, but this is tremendously costly and also a very hard thing to predict the length of a proposed strike.

As you know the Floral industry is rapidly expanding in Hawaii and I know of many instances where companies have cleared additional acreage for greenhouse expansion only to have half of their building materials held up due to shipping strikes. I cannot begin to estimate the hundreds of thousands of dollars lost in our industry because of this.

It is because of these reasons and many others that I could list that we feel so strongly that something has to be done. I wish to offer you the full endorsement and support of the Hilo Florists' and Shippers' Association in the passing of bills HR 7189 and S 1566. We strongly feel that these bills if not a total solution are at least a giant step in the right direction for the protection of the people and the economy of Hawaii.

Sincerely,

"Mike" Goldstein
 President

Hilo Florists' and Shippers' Association

HILO CONTRACTORS' ASSOCIATION

494-C Kalanikoa St.—Phone 935-1316
Hilo, Hawaii 96720

President
Donald K. Yamada

1st Vice President
W. Robert Hyman

2nd Vice President
Yukio Shiget

Secretary
Cy Savage

Treasurer
Leonard Nagata

Directors
Larry Isomoto
Norman Koshiyama
Yilmaz Lee
George S. McElownay
Leslie Nishimoto
Henry Otani
Edward Wm. Wence

May 29, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

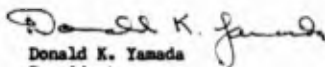
The 150 members of the Hilo Contractors' Association endorse and support special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Hilo Contractors' Association whole heartedly supports and encourages the passage of bills H. 7189 and S. 1566.

Sincerely,

HILO CONTRACTORS' ASSOCIATION


Donald K. Yamada
President

DKY:NM

cc: Representative Patey T. Hink
Representative Spark M. Matsunaga
Senator Daniel K. Inouye
Senator Hiram L. Fong

TRI-COUNTY FARM BUREAU

P. O. Box 1882
Hilo, Hawaii

May 30, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
Hilo, Hawaii

Dear Mayor Kimura:

The Tri-County Farm Bureau of this island strongly endorse the intent behind the dock strike bills—HR # 7189 and S # 1566. We understand that hearings on these two bills are now in progress at Washington, and would like to urge that your administration seek whatever means possible to insure the passage of these bills.

The two major provisions of the bills wherein Hawaii would be exempted during a dock strike and the assurance of continued shipping for the first 160 days of a strike should provide the people of Hawaii with relief from shipping interruptions which affect our very livelihood.

As you are well aware, shipping disruptions may tend to favor farmers in the short run through higher prices, but in the long run, the price of farm inputs increases and severely hampers total farm operations. In the past, the net income of some farmers have been affected to the extent that some producers have been compelled to discontinue further operations.

The Tri-County Farm Bureau would like to go on record as being in support of the dock strike bills. Should there be a need for our organization to exhibit support in whatever manner required, please feel free to call upon us.

Yours truly,



Daniel Hata
Chairman, Tri-County Farm Bureau

cc: Masao Okumura, Pres., Kona Farm Bureau
Maurice Payne, Pres., Kohala Farm Bureau



HILO EGG & POULTRY PRODUCERS COOPERATIVE

417 KALANIKOA ST.

HILO, HAWAII 96720

TELEPHONES:

935-6320

935-3348

May 31, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Hilo Egg & Poultry Producers Cooperative endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes. Our Coop uses over 550 tons of feed per month and it is essential that this shipping life line be maintained for our operations.

The Hilo Egg & Poultry Producers Cooperative hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,

RONALD MIYASHIRO

President

Hilo Egg & Poultry Producers
Cooperative

Hawaii Macadamia Producers' Association

"The growers of the world's finest nuts"

S. R. Box 3
Hilo, HI 96720

May 31, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:


The Hawaiian Macadamia Industry strongly supports HR7189 and SB 1566 which provide for the continuation of shipping services to Hawaii in the event of West Coast tie-ups.

As the macadamia nut industry depends on shipping for most of its material to grow, harvest, and process the crop, any interruption of this water transportation would be disastrous.

We urge you to stand with the Committee to act favorably on the bills so that uninterrupted continuation of shipping to Hawaii will be assured forever.

Thank you for your assistance in conveying our support for these bills.

Sincerely,



Hiroshi Ooka, Secretary
Hawaii Macadamia Producers'
Association

w1

cc: HMPA Directors

Kona County Farm Bureau

Member: Hawaii Farm Bureau Federation
American Farm Bureau Federation

TELEPHONE:
KONA 238-435
P. O. BOX 208
KEALAKEKUA, HAWAII

May 30, 1973

KONA

To: Mayor Shunichi Kimura
Hawaii County
Hilo, Hawaii

A shipping strike would definitely effect the farm community of Kona. Lack of farm supplies, which are imported would result in reduced production and higher prices. The last strike resulted in the delay of several tomato greenhouses. Cattle feed is also highly depended on shipping. Coffee is usually exported in bulk by ship and would therefore also be effected. In addition, the general cost of living would rise with the increase of prices.

Respectfully submitted,

Mase Okumura
Mase Okumura
President
Kona County Farm Bureau

KOHALA FARM BUREAU

P. O. Box 634
Kamuela, Hawaii 96743

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

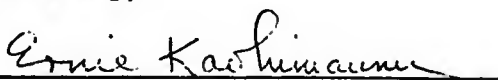
Dear Mayor Kimura:

The Kohala Farm Bureau endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Kohala Farm Bureau hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,



ERNIE KAOHIMAUNU
Secretary
Kohala Farm Bureau

HAWAIIAN ANTHURIUM



MARKETING ASSOCIATION, INC.

P. O. BOX 1065 / HILO, HAWAII 96720

May 31, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Anthurium Association of Hawaii endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Anthurium Association of Hawaii hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,

Masami Niimi

President

Anthurium Association of Hawaii

HAWAIIAN ANTHURIUMS — ALWAYS APPROPRIATE, ALWAYS AVAILABLE



HILO DOWNTOWN IMPROVEMENT ASSOCIATION

P. O. BOX 1502

HILO, HAWAII - 96720

May 30, 1973

Honorable Shunichi Kimura
 Mayor, County of Hawaii
 County Building
 Hilo, Hawaii 96720

Dear Mayor Kimura,

The Hilo Downtown Improvement Association is concerned about the periodic strikes and work stoppages that occur interrupting commerce to and from Hawaii. Inasmuch as we are almost completely dependent upon boat transportation to serve our businesses and industries, we feel that we have a unique problem.

We urge you to do all in your power to bring this problem to the attention of the Congress of the United States so that legislation can be enacted exempting Hawaii from the disastrous effect of dock and shipping strikes.

It is our understanding that legislation is being prepared, both in the House and in the Senate, which would give special consideration to the problems of Hawaii as an island state when such strikes occur. We fully support such legislation, as we understand has been instituted in both the House and the Senate. If there is any way in which we can help to push this legislation, please call on us. In the meantime, we hope that you will personally carry this message to the members of Congress.

Yours very truly,

Tony Taniguchi

Tony Taniguchi
 Vice President

May 30, 1973

Honorable Mayor Shunichi Kimura
25 Aupuni Street
Hilo, Hawaii 96720

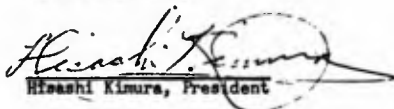
Honorable Mayor Kimura:

We, The Kainaliu Businessmen and Professional Assn., endorses support of the Special Federal Legislation for Hawaii relating to Transportation Disputes Bills -HR 7189 and S-1566.

Your anticipated cooperation in this matter will be greatly appreciated.

Sincerely yours,

KAINALIU BUSINESSMEN AND
PROFESSIONAL ASSN.


Hisashi Kimura, President

KAIKO'O HILO MALL ASSOCIATION
Hilo, Hawaii

May 30, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

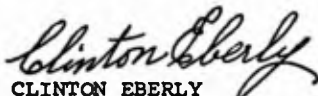
Dear Mayor Kimura:

The Kaiko'o Hilo Mall Association endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Kaiko'o Hilo Mall Association hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,

A handwritten signature in cursive script, reading "Clinton Eberly".

CLINTON EBERLY
President
KAIKO'O HILO MALL ASSOCIATION

BIG ISLAND PORK PRODUCERS ASSOCIATION
C/O EXTENSION SERVICE
Federal Building
Hilo, Hawaii

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Big Island Pork Producers Association endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The members of the Big Island Pork Producers Association hereby supports and encourages passage of H. R. 7189 and S. 1566.

Sincerely,

Ronald Miyashiro

RONALD MIYASHIRO

President

Big Island Pork Producers Assn.

HAWAII ELECTRICAL APPLIANCE
DEALERS ASSOCIATION

Hilo, Hawaii 96720

May 30, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720


Dear Mr. Kimura:

The slightest threat of shipping disruption to Hawaii is a virtual damper on business activity, and an inflationary element in raising operating costs.

All members of this association therefore strongly favor passage of legislation (H.7189 and S.1566) offering exemption for Hawaii in dock labor disputes; we will certainly appreciate your efforts toward achieving that end.

Very truly yours,

HAWAII ELECTRICAL APPLIANCE
DEALERS ASSOCIATION



Paul T. Nishimura
President

HILO COAST PROCESSING COMPANY

P. O. BOX 18
PEPEEKEO, HAWAII 96783

A STRIKE SITUATION CLOUDS AN OTHERWISE SUCCESSFUL LAUNCHING

At the end of December, the Hilo Coast Processing Company, a processing cooperative, will complete its first year of operation. From the standpoint of sugar production and operating costs, its members can consider it a successful beginning of a new venture but now a strike to which the Company is not a party is beginning to cloud the future outlook.

The United Cane Planters' Cooperative with its 414 small cane grower members, a fifty percent owner of the Hilo Coast Processing Company, produced approximately thirty percent of the 1972 crop of 128,300 tons of sugar, while the two plantation companies, Mauna Kea and Pepeekeo, who are owners of the other fifty percent produced the balance of the crop or approximately seventy percent. Costs are slightly better than anticipated; hence, when considered along with a favorable sugar production result, the members view the year as a successful beginning of trying to keep sugar a viable activity on the Hilo Coast.

There is the cloud of concern on the horizon as a result of a strike by the Boilermakers' Union (AFL-CIO) against some of the contractors performing critical construction work for the Cooperative. The strike has been underway for three months and has stopped work on the Pepeekeo power plant project, the Pepeekeo factory modernization and pollution control work, with the exception of excavation work and the Papaikou factory prototype dry cane cleaner project being installed for the purpose of controlling waste water and surplus cane fiber pollution of the adjoining ocean area. The Hilo Coast Processing Company is projecting capital expenditures of \$21,800,000 by the end of 1974 for its modernization and pollution control program. A goodly portion of the expenditures for pollution control will return no profit to the members, only an added operating cost that will exceed five dollars per ton of sugar produced. Fortunately, anticipated annual power sales revenue of approximately \$1,000,000 per year will help to pay for some of the capital expenditures made for pollution control purposes. By 1974 the annual interest alone on loans made for capital expenditures will exceed \$900,000. This is a costly and ambitious program, but necessary for survival of sugar on the Hilo Coast if the Company is to meet its pollution commitments. Anticipated dollar returns to the members are marginal at best, and when a situation develops which causes delays in the tight capital program the already marginal returns will become even more marginal.

The United Cane Planters' Cooperative and its 414 members are already obligated on the basis of individual loans to repay \$1,200,000 to the Hawaii State Farm Loan Fund borrowed for capital purposes and must contribute an additional \$6,180,000 to the 21 million dollar capital program of the Hilo Coast Processing Company. Their share of the interest costs alone will be in excess of \$27,000 per month by 1974. The present Boilermakers' strike against the contractors has already caused a projected delay of five months in placing the Pepeekeo power plant in commercial operation. This means a power revenue loss of \$83,000 a month or approximately \$25,000 monthly to the United Cane Planters; all while they are paying the interest costs for their share of the capital program. For a five month period this loss approximates \$125,000 and when coupled with that of the sugar company members, the total anticipated loss approaches \$375,000.

Hilo Electric was relying on the Hilo Coast 20 mega watt generator, the largest in the HELCO system at the end of 1973, to meet a forecasted power load increase during the last two months of 1973 and the first quarter of 1974. Power shortages could become a problem on Hawaii during this period. Fossil fuel will be burned during this period to substitute for the bagasse and cane trash that was to be used. The replacement fuel oil will mean a cash flow out of the County and State for the purchase of fuel oil while the surplus fiber must be disposed of as a waste.

An early resolution to the strike will be beneficial to the County of Hawaii and the State; therefore, it is hoped the Mayor's office and the Governor's office will express to the strike participants the concern of the community over the continuation of the strike and its adverse effect on innocent third parties. An expression of appreciation is due to the Governor's office at this time for its present efforts in settling the strike.

William Kenda, President
Hilo Coast Processing Company
December 1, 1972



HILO SHOPPING CENTER

Merchants' Association

P. O. Box 747
Hilo, Hawaii 96720

May 30, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

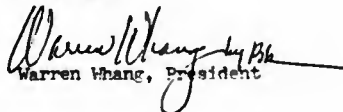
Dear Mayor Kimura:

The Hilo Shopping Center Association endorses and supports Federal Legislation HR7189 and S1566 for Hawaii relating to transportation disputes.

The County of Hawaii being part of an island state suffers severe hardships when normal flow of goods is disrupted during transportation disputes.

We thereby support and endorse passage of said bills.

Sincerely,


Warren Whang, President

WH/pah

SERVICE STATION AND GARAGE ASSOCIATION

Hilo, Hawaii 96720

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Service Station and Garage Association endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Service Station and Garage Association hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,



SHOICHI MURAMOTO

President

Service Station & Garage Association

HAWAII ISLAND CHAMBER OF COMMERCE

ESTABLISHED 1897 180 KINOOLE STREET · ROOM 203 HILO, HAWAII 96720

May 31, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

Your office has informed us you will be attending the hearings in Washington on HR 7189 and SB 1566, companion bills for legislation to provide continuation of shipping services to Hawaii or any Pacific Island in the event of West Coast strikes or lockouts.

The Hawaii Island Chamber of Commerce requests you convey to the hearing committees its full and enthusiastic support for these two measures. This action was confirmed unanimously by our Board of Directors today upon unanimous recommendation by the Chamber's Strike Legislation Committee.

The 600 members of this Chamber have suffered the effects of previous shipping interruptions. They are all agreed this State is unique in total reliance on water transportation, and that special legislation is appropriate to assure uninterrupted continuation of this life line.

We believe the provisions of these two bills offer an equitable solution to the problem, with little or no infringement upon the collective bargaining process.

We urge the two committees to expedite their deliberations, and favorably report the bills to the floor of both houses for early vote.

Thank you for your assistance in conveying our support for these bills.

Sincerely,


Robert G. Grimmer
President
wl

Japanese Chamber of Commerce and Industry of Hawaii

318 KAMEHAMEHA AVE. ROOM 5

HILLO, HAWAII. 96720

PHONE: 935.8462

May 30, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Japanese Chamber of Commerce and Industry of Hawaii endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Japanese Chamber of Commerce and Industry of Hawaii hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,



Albert S. Nishimura
President

Japanese Chamber of Commerce
and Industry of Hawaii



Lehua Jaycees

P. O. BOX 1778

HILO, HAWAII 96720

May 30, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Lehua Jaycees endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Lehua Jaycees hereby supports and encourages passage of H. R. 7187 and S. B. 1566.

Sincerely,

Herbert Hayama

Herbert Hayama
Governmental Involvement Chairman
Lehua Jaycees



ROTARY CLUB

of SOUTH HILO

P. O. BOX 198 • HILO, HAWAII 96720

May 31, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Rotary Club of South Hilo wishes to record its solid support of two measures now in Congress, Senate Bill S-1566, providing for the normal flow of ocean commerce between Hawaii, other Pacific Islands, and the West Coast, preventing interruptions thereof, and Senate Bill S-1567, providing for uniform expiration dates for longshore and maritime union agreements.

As key members of the business community, our members have recently been hurt by the two Maritime strikes within the last two years. Such strikes add to the cost of living in Hawaii through the requirement of unusually large inventories needed as a strike hedge and through the unnecessary burden of public support of individuals temporarily or permanently put out of work because of such strikes. These two bills will take the first step towards safeguarding the rights of Hawaii's citizens to a free flow of commerce between the West Coast and Hawaii and accordingly, we urge your own personal support and involvement in this our common struggle.

Aloha,
ROTARY CLUB of South Hilo

Robert F. Bean
PRESIDENT



LIONS CLUB OF KONA

KEALAKKUA, KONA, HAWAII 96750

May 30, 1973

The Honorable Shunichi Kimura
Mayor, County of Hawaii
Hilo, Hawaii

Sir:

We the 118 Lions Club of Kona members representing all segments of all Kona community supports the proposed Bill HR-7189 and S-1566 in reference to the special exemption for Hawaii from transportation dispute.

We emphasize this measure is a necessity due to hardship caused to the economics in Kona area during the last shipping strike.

Respectfully,

Lions Club of Kona

Jack Tokunaga
Jack Tokunaga, President



CC: District Governor-Lions International
Harry Yee - District 50

jy:JT

WAIMEA HAWAIIANS

P. O. Box 634
Kamuela, Hawaii 96743

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

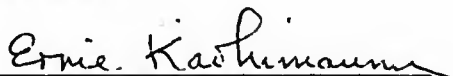
Dear Mayor Kimura:

The Waimea Hawaiians endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Waimea Hawaiians hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,



ERNIE KAOHIMAUNU
President
Waimea Hawaiians



LIONS CLUB *of* KAILUA-KONA

POST OFFICE BOX 1150 / KAILUA-KONA, HAWAII 96740

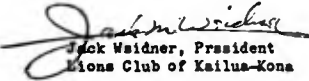
May 30, 1973

Honorable S. Kimura, Mayor
County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

We, the Lions Club of Kailua-Kona, Hawaii, pledge our support in regards to the special legislature for bills number HR7189 and S1566 and earnestly plea for their passage in order to prevent stoppage in shipping to our State of Hawaii.

Yours truly,


Jack Waidner, President
Lions Club of Kailua-Kona

HILO LIONS CLUB

Hilo, Hawaii
96720

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

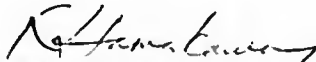
Dear Mayor Kimura:

The Hilo Lions Club endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The members of Hilo Lions Club hereby support and encourage passage of H.R. 7189 and S. 1566.

Sincerely,



KIYOSHI HAMAKAWA
President
Hilo Lions Club



Waiakea Lions Club

Chartered May 2, 1950

May 30, 1973

P. O. BOX 1895
HILO, HAWAII, 96720

The Honorable Shunichi Kimura
Mayor, County of Hawaii
Hilo, Hawaii

Dear Mayor Kimura:

This is to express our support of HR # 7189 and S # 1566. Both bills are designed to permit the continuance of shipping to the State of Hawaii in the event of a dock strike on the west coast.

The economy of the State of Hawaii and the County of Hawaii cannot survive another shipping strike of any length. We are only now, slowly recovering from the last west coast shipping strike. Many businessmen were forced to go out of business as a result of the last strike.

The members of the Waiakea Lions Club respectfully request that your office exercise whatever means it may feel necessary in supporting the above numbered bills in order to protect the people of the State of Hawaii and the County of Hawaii.

Respectfully submitted,

Bob T. Kita, President
Waiakea Lions Club
District 50, Region V
Hilo, Hawaii

HAWAII STATE JAYCEES DISTRICT 1
(Island of Hawaii)
81 Likeke Street
Hilo, Hawaii

May 31, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

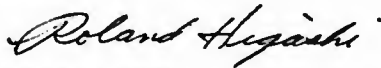
Dear Mayor Kimura:

The Hawaii State Jaycees District 1 endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The members of Hawaii State Jaycees District 1 hereby support and encourage passage of H.R. 7189 and S. 1566.

Sincerely,



ROLAND HIGASHI
State Vice President
Hawaii State Jaycees District 1



CRESCENT CITY LIONS CLUB

Chartered June 7, 1956

• P. O. BOX 8

• HILO, HAWAII 96720

1972-1973

May 30, 1973

President
STANLEY ABE

Immediate Past President
SIDNEY H. KUSUMOTO

First Vice President
JOHN KODANI

Second Vice President
JOHN YUEN

Third Vice President
JOHN S. OKINO

Secretary
KENJI KANEKUNI

Treasurer
KOICHI IWASAKI

Tell Twister
PANCHO S. MURASHIGE

Lion Tamer
EDWARD T. KOZUKI

Director
(1 year)
HAROLD ASHIDA
MASASHI CHIBA

(2 years)
MASASHI HAYADA
ARTHUR LEE, JR.

Charter Members
HAROLD ASHIDA
DR. FRITZ FORBES
HARRY I. MARA
REX Y. MATSUMO
HENRY MENINO
ROBERT TAKAMASHI
GEORGE TAKETA
YUKIWO TANIGUCHI

Zone Chairman
Region V - Zone 1
ROBERT TAKAMASHI

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

The officers and members of Crescent City Lions Club fully endorses and supports special Federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Crescent City Lions Club hereby supports and encourages passage of HR. 7189 and S. 1566.

Sincerely,

CRESCENT CITY LIONS CLUB

Stanley G. Abe
Stanley G. Abe, President

Meetings Every First and Third Mondays
Hilo Lagoon Hotel - 12:00 Noon

WAIMEA HAWAIIAN CIVIC CLUB

P. O. Box 634
Kamuela, Hawaii 96743

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Waimea Hawaiian Civic Club endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Waimea Hawaiian Civic Club hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,



ERNIE KAOHIMAUNU

Director

Waimea Hawaiian Civic Club

ROTARY CLUB OF HILO

50th Anniversary
1920-1970



SERVICE ABOVE SELF — HE PROFITS MOST WHO SERVES BEST

P. O. Box 861 - Hilo, Hawaii 96720 - U. S. A.

OFFICERS

SHUN HATADA, PRESIDENT
PAUL DOUGLASS, VICE-PRESIDENT
GEORGE HALL, TREASURER
ANASTACIO LUIS, SECRETARY

May 30, 1973

DIRECTORS

WALSH HANLEY
ARTHUR HERBST
AKIRA WATANABE
TOSHIO YAMASHITA

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Subject: Legislation H. R. 7189 S. 1566

Dear Mayor Kimura:

The Rotary Club of Hilo endorses and supports special federal legislation for Hawaii relating to transportation disputes.

All business enterprises and every individual citizen in the County of Hawaii, as part of an island state, suffers undue hardship during transportation disputes when the normal flow of goods is disrupted.

The Rotary Club of Hilo hereby supports and encourages passage of H. R. 7189 and S. 1566.

Rotarily yours,

Shunichi Hatada
President
Rotary Club of Hilo

SH/lk

KONA MAUKA ROTARY
 POST OFFICE BOX 100
 KAILUA-KONA, HAWAII 96740
 MAY 30, 1973

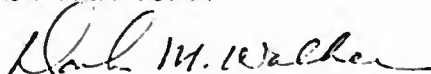
MAYOR SHUNICHI KIMURA
 OFFICE OF THE MAYOR
 COUNTY OF HAWAII
 25 AUPUNI ST.
 HILO, HAWAII 96720

HONORABLE MAYOR KIMURA:

THE MEMBERS OF THE KONA MAUKA ROTARY CLUB HAVE BEEN INFORMED
 THAT YOU WILL BE TESTIFYING BEFORE THE CONGRESSIONAL COMMITTEES,
 WHICH ARE CONSIDERING BILLS HR 7189 AND SB 1566.
 PLEASE BE ADVISED THAT OUR MEMBERSHIP WHOLE-HEARTEDLY ENDORSES
 BOTH OF THESE BILLS.

SINCERELY,

KONA MAUKA ROTARY



DONHAM M. WALKER
 PRESIDENT

DMW:o

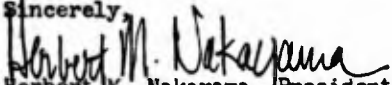
Honorable Shunichi Kimura
 Mayor, County of Hawaii
 25 Aupuni Street
 Hilo, Hawaii 96720

Dear Mayor Kimura:

The Hilo Kiwanis Club endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during the transportation disputes.

The Hilo Kiwanis Club hereby supports and encourage passage of H.R. 7189 and S.1566.

Sincerely,

 Herbert M. Nakayama, President
 Hilo Kiwanis Club
 80 Pauhi Street; Room 206
 Hilo, Hawaii 96720



KIWANIS CLUB OF EAST HAWAII

KIWANIS INTERNATIONAL DIV. 22

P.O. Box 44 • Hilo, Hawaii 96720

May 30, 1973.

Honorable Mayor Shunichi Kimura
County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Honorable Mayor Shunichi Kimura:

I just received word from the Dept. of Research and Development, that you will be going to Washington to testify before Congress on Bill: HR - 7189 and S - 1566.

In view of the fact that Hawaii is situated in the middle of the Pacific, I feel that over-sea shipping freight has been a most vital growth in the economy of the islands. In time of a shipping strike, it creates hardship on big industries, small businesses as well as collection of revenue that partially pays for the function of this County. People in the United States don't realize this, since they rely more on trucks as well as the railways as their means of getting their supplies.

Therefore as President of the Kiwanis Club of East Hawaii, the members and I earnestly support the endorsement of Bill HR - 7189 and S - 1566. I do hope that your trip over will be most promising as well as productive. I wish you every success.....

Yours truly,

Hiroshi Seto
Hiroshi Seto (president)
Kiwanis Club of East Hawaii

CONGRESS OF THE HAWAIIAN PEOPLE

P. O. Box 634
Kamuela, Hawaii 96743

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720


Dear Mayor Kimura:

The Congress of the Hawaiian People endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Congress of the Hawaiian People hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,



ERNIE KAOHIMAUNU

Director

Congress of the Hawaiian People



POST OFFICE BOX 244 KEALAKEKUA-KONA, HAWAII 9675

MAY 30, 1973

MAYOR SHUNICHI KIMURA
OFFICE OF THE MAYOR
COUNTY OF HAWAII
25 AUPUNI ST.
HILO, HAWAII 96720

HONORABLE MAYOR KIMURA:

THE MEMBERS OF THE KONA MAUKA TROLLERS HAVE BEEN INFORMED
THAT YOU WILL BE TESTIFYING BEFORE THE CONGRESSIONAL
COMMITTEES, WHICH ARE CONSIDERING BILLS HR 7189 AND
SB 1566.

PLEASE BE ADVISED THAT OUR MEMBERSHIP WHOLE-HEARTEDLY
ENDORSES BOTH OF THESE BILLS.

SINCERELY,

KONA MAUKA TROLLERS

A handwritten signature in dark ink, appearing to read "Donnan M. Walker".

DONNAN M. WALKER
PRESIDENT

DMW:D



Affiliate members:
Kailua District Committee
West Hawaii Committee
Kona Civic Club

May 29, 1973

The Honorable Shunichi Kimura
 Mayor County of Hawaii
 25 Aupuni Street
 Hilo, Hawaii 96720

Dear Mayor Kimura,

The Kona Chamber of Commerce wholeheartedly endorses and supports special Federal legislation for Hawaii in regard to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardships when the normal flow of goods is disrupted during transportation disputes.

The Chamber of Commerce of Kona hereby supports and endorses the passage of HR. 7189 and S. 1566.

Thank you on behalf of all of the residents of the Kona area for your work towards protecting Hawaii from future strikes and the resulting hardships.

Mahalo and aloha.

Sincerely,

Earl Younker
 President

EY:mmmp

Home of Hawaiian Hospitality

P. O. BOX 635 • KAILUA-KONA • HAWAII 96740 • TELEPHONE (808) 329-1758

HAWAII HOLOHOLONA AND MAHIAI COOP

P. O. Box 634
Kamuela, Hawaii 96743

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni St.
Hilo, Hawaii 96720

Dear Mayor Kimura:

The Hawaii Holoholona and Mahiai Coop endorses and supports special federal legislation for Hawaii relating to transportation disputes.

The County of Hawaii, as part of an island state, suffers severe hardship when the normal flow of goods is disrupted during transportation disputes.

The Hawaii Holoholona and Mahiai Coop hereby supports and encourages passage of H.R. 7189 and S. 1566.

Sincerely,

A handwritten signature in dark ink, reading "Ernie Kaohimaunu", is written over a horizontal line.

ERNIE KAOHIMAUNU
Director
Hawaii Holoholona and
Mahiai Coop

KONA COUNCIL HOME BUILDERS

P. O. BOX 1989 — KAILUA-KONA, HAWAII 96740

MAY 30, 1973



MAYOR SHUNICHI KIMURA
OFFICE OF THE MAYOR
COUNTY OF HAWAII
25 AUPUNI ST.
HILO, HAWAII 96720

HONORABLE MAYOR KIMURA:

THE MEMBERS OF THE KONA COUNCIL HOME BUILDERS HAVE BEEN INFORMED
THAT YOU WILL BE TESTIFYING BEFORE THE CONGRESSIONAL COMMITTEES,
WHICH ARE CONSIDERING BILLS HR 7189 AND SB 1566.
PLEASE BE ADVISED THAT OUR MEMBERSHIP WHOLE-HEARTEDLY ENDORSES
BOTH OF THESE BILLS.

SINCERELY,

KONA COUNCIL HOME BUILDERS

Don M. Walker
DONNAN M. WALKER
SECRETARY

DMW:og



Miyashiro Poultry and Hog Farm

Processed Animal Droppings -:- Producer Maunakea Eggs -:- Local Pork

Panaewa, Hawaii -:- Kealakai Street

Mailing Address: 2438 Kinoole Street -:- Hilo, Hawaii 96720

PHONE: 959-9295

May 31, 1973

Honorable Shunichi Kimura
Mayor, County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

I am a poultry-hog farmer in Panaewa, Hilo, Hawaii. I believe in and endorse H. R. 7189 and S. 1566 because of the unique situation that Hawaii is in. All of our animal feed must be brought in by surface transportation; and during the last longshoreman's strike that lasted for 114 days, I had to slaughter 6,000 layers because of lack of feed. I took a great financial loss by having to kill the birds. I was an innocent bystander for a matter which did not concern me as to who should or shouldn't load the containers.

At this time, I have just obtained a loan and am in the process of expanding our farms and building our own feed storage. The storage facility will hold 150 tons which should last us about one month. So again, you can see how dependant we are on surface transportation.

Because shipping is so essential to my operations, I endorse and support H. R. 7189 and S. 1566.

Thank you for your consideration.

Sincerely,

Ronald Miyashiro
RONALD MIYASHIRO

Kanoelehua Industrial Area Association

194 Holomua Street
Hilo, Hawaii 96720

May 30, 1973

Honorable Shunichi Kimura, Mayor
County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

We would commend the efforts of your Office in the matter of West Coast transportation disputes. We strongly urge the passage of U.S. Senate Bill #1566 and U.S. House of Representatives Bill #7189. We also urge very serious consideration of U.S. Senate Bill #1567, and support passage of this Bill, providing eventually for all labor contracts in the longshore and maritime industries to last three years and to expire on the same date.

Members of our Association, as you are aware, represent basic industries such as manufacturing, assembly, construction, supply and services. Our 115 member-firms employ some 1,000 wage earners for their 1,000 families on our Big Island. As managers-owners, it is essential that there be control available to us over as many factors of production as possible, I.E. source of raw materials, capital, labor, operational systems and transportation. The enactment of these Bills will go toward offering us this greater control.

During any pre-strike preparation period inventories must be enlarged, requiring yet greater use of debt equity, storage and warehousing. In terms of priorities of cargo moved to Hawaii during these periods industrial, agricultural and construction materials rate very low as their position in the flow of goods is sacrificed to other items of a more urgent nature. This low priority to our goods also applies following a West Coast dock tie-up as early, available cargo space is devoted to more critical goods. These delays following such a tie-up period can be in the neighborhood of 60 days following an opening of the docks.

The numerous causes-effects of West Coast transportation disputes are also felt in the home construction industry. The aggregate effect of such disputes on home construction costs is reflected in an additional increase of \$1,800 per single-family dwelling built during or immediately following a transportation dispute. The Island of Hawaii already suffers from a vital shortage of low-income housing, houses of less than \$30,000. These disputes removes even further the right and opportunity for people to own their own home.

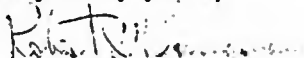
Kanoclehua Industrial Area Association

Honorable Shunichi Kimura, Mayor
May 30, 1973
Page 2.

The extreme effect of West Coast transportation disputes is the economic failure of some of our Members. The failure of a Member, though certainly not in the total aggregate, is hastened by these disputes. We have experienced five such failures during the latter portion of 1972 following 41-day Strike beginning October 25, 1972.

It is essential to our Member-firms that a secure flow of goods and products be available. These Bills afford partial solutions to securing and insuring this flow. We urge for their passage.

Very truly yours,



Robert M. Youngman,
President

RMY:dc



DIVACO COOPERATIVE

30 KUKILA STREET • HILO, HAWAII 96720 • TELEPHONE 935-5415

June 1, 1973

Mayor Shunichi Kimura
County Building
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mayor Kimura:

We are wholly in favor and support the two Bills HR 7189 and S 1566 for a special exemption for Hawaii during the shipping strikes.

Being a major agricultural supply cooperative on the Big Island, there are many agricultural supplies we received directly from the Mainland. With a shipping strike in existence and failure of our receiving any supplies, our sales volume will drop considerably.

We would appreciate all the help you can give us in the passing of these two Bills.

Very truly yours,

DIVACO COOPERATIVE

Richard F. Fujioke
Richard F. Fujioke
General Manager

RFF/ee

DIVERSIFIED AGRICULTURAL CONSUMERS' COOPERATIVES



BANYAN LIONS CLUB

P. O. BOX 1248 • HILO, HAWAII 96720

May 30, 1973


The Honorable Shunichi Kimura,
Mayor, County of Hawaii
County Bldg.,
Hilo, Hawaii 96720

RE: U. S. House Bill 7189 and U.S. Senate Bill 1566

Dear Mr. Mayor:

As president of the Banyan Lions Club of Hilo, I strongly urge you use the powers of your office in supporting the above bills in Congress which provide for a 160-day continuation of shipping service to Hawaii or any Pacific island when a West Coast shipping tie-up occurs. Another strike will have a disastrous economic effect on our State since we are totally dependent on surface transportation. We ask that you vigorously and wholeheartedly support these bills in Congress up for hearings in Washington now.

Sincerely yours,


Charles L. Kanoho, President
Banyan Lions Club of Hilo
P. O. Box 1248
Hilo, HI 96720

C. BREWER AND COMPANY, LIMITED

Murray E. Stewart
President

June 1, 1973

P. O. BOX 3470
HONOLULU, HAWAII 96801
TELEPHONE (808) 535-4488
CABLE ADDRESS BREWER

The Honorable Shunichi Kimura
Mayor, County of Hawaii
Hilo, Hawaii 96720

Dear Mayor Kimura: 

I am pleased that you are going to Washington in connection with the Surface Commerce Protection Act of 1973, HR 7189 and S 1566. As we know from bitter experience, Hawaii has been very vulnerable to shipping strikes, and our company as well as other companies doing business on the island of Hawaii, have suffered as a result. We are strongly in favor of the above measure and offer our support in any way which will be helpful.

Sincerely,



EJ/vk

Mr. JARMAN. Are there any questions? Mr. Harvey?

Mr. HARVEY. No questions. I appreciate your coming, Mayor Kimura.

Mr. JARMAN. Mr. Kuykendall?

Mr. KUYKENDALL. No questions. We welcome you to the committee, Mayor.

Mr. JARMAN. Thank you for your very effective testimony.

Mayor KIMURA. Thank you, Mr. Chairman.

STATEMENT OF HON. JOSEPH E. BULGO, COUNCILMAN, COUNTY OF MAUI, HAWAII; ACCOMPANIED BY HON. PATSY T. MINK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mrs. MINK. Thank you, Mr. Chairman. The next representative is from the county of Maui, which includes the three islands of Maui, Molokai and Lanai. He is the Honorable Councilman Joseph E. Bulgo, who is here representing the mayor of the County of Maui, the Honorable Elmer Cravalho.

It is a pleasure to introduce my distinguished colleague, Councilman Bulgo of Maui.

Mr. JARMAN. This committee is very pleased to have Councilman Bulgo here today.

Mr. BULGO. Thank you, Mr. Chairman and members of the subcommittee. My name is Joseph E. Bulgo, and E stands for Engelbert. I believe I am the only living Spaniard with that name today. I am a member of the council of the county of Maui and chairman of its Committee on Economic Development. On behalf of Mayor Elmer Cravalho and the administration, the county council, and all who make up our community, we would like to express our appreciation for this opportunity to appear before you today.

The importance of this legislation can be underscored by the fact that it is jointly sponsored by all members of the Hawaii congressional delegation, in both Houses of Congress, and irrespective of partisan political affiliation. This is a problem which has touched us all in recent months and years, and for which we share a mutual concern. The appearance here of leaders of other governmental jurisdictions within the State, as well as the private sector, also testifies eloquently to this concern.

We believe that it is vital to recognize, as the proposed legislation does, the very unique geographical situation of the State of Hawaii, as well as the territories of Guam and American Samoa, and the Trust Territories. We are almost totally dependent upon ocean shipping as our lifeline to the rest of the United States. Rail and truck traffic is impossible between the mainland United States and our islands. Air freight has not yet progressed to the point where it can be handled economically in large quantities.

The State of Hawaii is not in a position of being economically self-sufficient. Even a relatively simple island society, such as exists on the little island of Niihau, is not completely independent. To expect the more complex societies which exist on the other islands within the State to achieve a self-sufficient status, is impossible.

We are pleased to note that the proposed legislation recognizes that present Federal emergency dispute procedures for resolving maritime and longshore industry disruptions does not adequately address itself to the peculiar problems existing with regard to our island State. For example, during the last shipping tieup on the west coast, which had an extremely severe effect on our local economy, it was not until the east coast docks were also shut down, that existing Federal emergency authorities were brought into play.

The proposed legislation, which would assure the normal flow of ocean commerce for 160 days between our ports and the west coast, appears to be a major step in resolving our problems. Further, the proposed legislation appears to adequately recognize the need to protect the collective bargaining process, by making it applicable only to those particular geographical areas severely affected, and by including provision for additional wages to be received by involved employees, based upon agreements subsequently negotiated. This proposal seems equitable to all parties concerned.

In supporting this legislation, we would like to also emphasize that we do not do so in the spirit of interfering with the normal process of labor-management negotiations. We recognize the established role of the negotiation process in the labor-management field today.

Labor-management relations in the State of Hawaii have generally demonstrated a maturity which can serve as an example to other areas of our country. The mutual respect and cooperation between management and labor has been a vital factor in the growth of Hawaii. Nevertheless, from time to time, impasse has occurred. In times such as these, the welfare of our entire island community must be considered. On that basis, some means of providing relief, practically and expeditiously, and when needed, must be established.

It is our feeling that the proposed legislation goes far to accomplish the wishes of the community from the small businessman to the industrial giant; from the man on the street to the housewife. We are pleased to see this legislation proposed. We are pleased to lend our voice in support, and urge the Members of Congress to concur.

We ask the gentlemen of the subcommittee to give every consideration to the peculiar problem which we face in Hawaii. Hawaii is already at an economic disadvantage compared with the mainland United States, because of our dependence upon ocean shipping and the associated costs. Prolonged labor disputes, which mean not only that we cannot receive necessary foodstuffs and other such essential items from outside the State, but that we also cannot ship our products, principally pineapple and sugar, aggravate the problem, to the extent that the well-being of our entire society is jeopardized.

Gentlemen, we ask for your assistance and consideration. The people of the county of Maui, as well as the State of Hawaii, would be deeply appreciative. Thank you.

Mr. JARMAN. Thank you, Councilman Bulgo, for adding to our hearing record on this subject.

Mr. Harvey?

Mr. HARVEY. I have no questions, but we thank you, Mr. Bulgo.

Mrs. MINK. Thank you very much, Mr. Chairman.

STATEMENT OF THOMAS K. HITCH, SENIOR VICE PRESIDENT AND CHAIRMAN, RESEARCH DIVISION, FIRST HAWAIIAN BANK, REPRESENTING THE CHAMBER OF COMMERCE OF HAWAII; ACCOMPANIED BY HON. SPARK M. MATSUNAGA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mr. MATSUNAGA. It is my pleasure, Mr. Chairman and members of the subcommittee, to present our next witness, who will be speaking in behalf of the Chamber of Commerce of the State of Hawaii, Dr. Thomas K. Hitch, who is the senior vice president and chairman of the Research Division of the First Hawaiian Bank of the State of Hawaii.

He is a graduate of the London School of Economics and one of the most highly respected members of our community, both in the business world and in the political world. Dr. Hitch.

Mr. JARMAN. Dr. Hitch, we are pleased to have you with us this morning. The committee will listen attentively to your testimony.

Mr. HITCH. I am pleased to be here, Mr. Chairman, and honorable members of the committee. Much of what I could say today has been already said. I would therefore request of the committee two things: First, would it be possible for me to have introduced into the record of this hearing this booklet entitled "Hawaii, the Most Vulnerable State in the Nation," which I prepared last March, which covers the ground that is the subject matter of this hearing today.

Mr. JARMAN. Doctor, the committee will certainly receive this brochure for the hearing record; the pictures however would not be reflected in the hearing record, but I see no problem in its being included, sir. [See p. 168.]

Mr. HITCH. What we tried to do in the booklet was, in the first chapter which was brief, to detail Hawaii's extreme dependence on reliable and adequate transportation, which is a subject already covered very adequately by the colleagues of mine who have appeared already this morning.

Let me simply make one statement. I would estimate that this year as a normal year, commodities moving to Hawaii from the mainland by ship will amount to about 5 million tons, with another 2 million tons moving from Hawaii to the mainland. This is well over 8 tons per resident man, woman, and child of Hawaii. Obviously shipping is our vital lifeline as has already been brought out.

The second chapter in this brochure, this case study, deals with the history of transportation interruptions and I would like to point out that strike or lockout threats which never materialize as strikes or lockouts, short strikes or short lockouts, can be just as damaging in many ways as a long strike.

Primary attention is given to the long strikes which are dramatic. Let me quote two sentences in this study: "Short strikes are short strikes only in retrospect. They could turn into long strikes and they trigger the response that a long strike would provoke: stockpiling, hoarding, panic buying, et cetera, and the threat of a strike that never comes off is only the threat of a strike in retrospect. When the threat looms on the horizon, businessmen and consumers adopt a 'here we

go again' attitude and a resulting behavior pattern that can be as costly and as disruptive as would be the case if the strike ultimately occurred."

The third chapter of this booklet is a rather detailed analysis of possible solutions to this problem that Hawaii has faced for so long and after reviewing many alternative solutions, I concluded that the best solution from the viewpoint of all parties concerned is essentially the proposal that is contained in H.R. 7189.

Now, could I make two points in support of H.R. 7189?

The first point is that H.R. 7189 can in no way be considered anti-strike or antilockout legislation. I think in answer to Mr. Harvey's question, I don't think it is really labor legislation at all. It is commerce legislation. Partial operation of a tiny fraction of a struck or locked-out industry in order to provide essential service does not interfere with the collective bargaining process. In my studies, and these figures have been quoted already, I have determined that only about 3 percent of the west coast longshore work force is engaged in handling goods outbound to or inbound from Hawaii.

Adding Guam, American Samoa, and Trust Territory of the Pacific cargoes would increase that percentage fractionally but still leave it within the range of 3 percent. To have the west coast longshore industry continue to work 3 percent of its work force, still leaves 97 percent of the work force untouched. This would then be a 97-percent stoppage instead of 100-percent stoppage. The economic pressures on both sides to the dispute would to all intents and purposes be undiminished. The collective bargaining process would be essentially untouched. This being the case, this legislation can in no way be considered antistrike or antilockout.

My second point is that the concept of partial operation in the event of an industrywide strike is not a new concept nor is it new in practice. In practice, essential military cargoes have been exempted from longshore and maritime stoppages providing partial operations to take care of essential military needs. The west coast longshore and maritime industries have had extensive experience with partial operations during strike periods.

Further, the concept of partial operations has been supported by such students of emergency disputes legislation as former Undersecretary of Labor, Larry Silberman and by David Cullen in his analysis called *National Emergency Strikes* published by Cornell University in 1968. This concept was embodied in the administration bill S. 560 of the last session and also was embodied in the Staggers-Williams bill, H.R. 3595 and S. 832. Finally, the Javits bill of the last session, S. 594, provided that the President could order partial operations of a struck industry under certain conditions.

My conclusion is that this legislation would do practically nothing to interfere with the collective bargaining process and therefore can in no way be considered antistrike legislation and that the basic proposal of this legislation, partial operation of a strike industry, is an accepted concept and that the west coast maritime and longshore industries have had extensive experience with it in practice.

Finally, let me express one very sincere hope; namely, that the Congress will act on this legislation at this time. In fact, that it would

appear from what I read in the newspapers that probably both the west coast and the Hawaiian longshore contracts which expire June 30 will probably be negotiated without any work stoppage would not remove any of the urgency for this legislation. In Hawaii, this is, as we have all tried to point out, a continuing problem of long standing and the mere fact that one set of contracts may be negotiated without a stoppage does not mean that the next set might not result in a stoppage or a threat of a stoppage.

Also, from what I hear and read, it is the viewpoint of most people that Congress can probably pass better and more carefully thought-out legislation when there is no crisis than to legislate during a period of crisis.

I do hope that this bill can move forward this session.

That completes my comments.

[Testimony resumes on p. 183.]

[The brochure referred to follows:]

HAWAII: THE MOST VULNERABLE STATE IN THE NATION—A CASE STUDY

INTRODUCTION

Hawaii is more vulnerable to transportation strikes than any of the other forty-nine states of the Union.

The forty-eight contiguous states are all served by trains, trucks, buses, automobiles, trunk air carriers, and feeder air carriers—and most of them are also served by ships. If one means of transportation is closed down, suppliers can usually turn to other means of transportation. It may be costly and inconvenient, but generally it can be done.

Alaska is more vulnerable than the lower forty-eight. But Alaska is served by the Alaska Highway, she has her own state-operated shipping system that connects with Prince Rupert in Canada and with Seattle, and her local airlines can supplement the trunk carriers if the trunk carriers are down.

Hawaii is the most vulnerable of all. Every commodity and every person coming to or leaving Hawaii travels either by ship, barge or trunk air carrier—there is simply no other way to move goods or people.

Hawaii's land area is 6,450 square miles. This is equivalent to the area around Washington, D.C., that would stretch from Baltimore on the north to Fredericksburg on the south and reach westward to the Shenandoah National Park. To visualize what a shipping or dock strike does to Hawaii, one only has to imagine an impenetrable wall built around this Washington area—a wall that would stop all surface transportation from entering or leaving the area. No trains. No trucks. No buses. No cars. No ships. Nothing that moves on the surface of the earth. The only contact with the rest of the country would be by trunk air carriers that would originate their flights from at least as far away as Los Angeles—which is the distance from San Francisco to Honolulu.

Now visualize a similar analogy, this time with respect to moving people. Hawaii no longer has any passenger service to and from the Mainland by ship so that all people entering or leaving Hawaii have to travel by air. What would happen to the Washington-Baltimore-Fredericksburg area if all modes of moving people were stopped? No airplanes. No passenger trains. No buses. No cars. Not even bicycles or horses.

Obviously, either of the above situations would constitute a dire emergency for the area that would not be tolerated for any length of time. If the President didn't act to get transportation moving, certainly the Congress would. Even the thought of such a situation developing would appall every resident in the area because the impact would be so calamitous.

Is it any wonder then that the residents of Hawaii view dock strikes, maritime strikes, or airline strikes with a real and genuine dread? Is it any wonder that we in Hawaii feel that we have a right to ask the Congress to enact special

legislation that will keep our two lifelines open? Is it any wonder that we are dismayed and disheartened when, faced with one of our lifelines being cut, our pleas for help go unheeded? Is it any wonder that we feel discriminated against when other states of the nation are declared disaster areas eligible for special help as a result of heavy rains or heavy snows while we endure worse disasters with no relief? Put bluntly, we ask: How come our fleet of islands can be blockaded with nobody caring?

The purpose of this study is to contribute to public understanding of this problem in the hope that it can be corrected.

JOHN D. BELLINGER,
President, First Hawaiian Bank.

CHAPTER I—HAWAII'S VULNERABILITY TO TRANSPORTATION STRIKES

Apart from her uniquely isolated location, which has already been discussed in the Introduction, Hawaii is particularly vulnerable to transportation strikes because her economy is preeminently an export-import economy.

Were we largely self-sufficient based upon producing locally the things we consume, then the situation would be different. But it is obviously not economically feasible nor physically possible for the islands to produce a complete range of goods for a population of only around 800,000. With the exception of bauxite, which has never been mined commercially, Hawaii has no metal commercially, Hawaii has no metal resources. The islands have few nonmetallic minerals and no deposits of oil or coal. Land suitable for agriculture is limited and its availability is shrinking with increasing urban demands. Thus about 80 percent of all physical commodities purchased by residents of Hawaii come from overseas, mainly from the Mainland states of the Union.

Let us look at this situation item by item.

FOOD

Aside from sugar, pineapple, and a few other export crops, agricultural production in Hawaii is on a fairly small scale. We depend on imports, mostly from the Continental U.S., for a large proportion of the food we consume.

Imports account for 52 percent of the beef consumed in the State, 64 percent of the pork, 75 percent of the chicken, and all of the lamb, mutton, and turkey.¹ Although we are largely self-sufficient in fresh milk and eggs, we bring in all of our butter and margarine, most of it from the Mainland. Even the meat and dairy products produced locally are ultimately dependent on imports, since nearly all of our livestock feed comes in from other states.

Some 58 percent of the fresh vegetables marketed in Hawaii are imported (nearly all from the West Coast)—including 90 percent of the potatoes, 89 percent of the carrots, 58 percent of the lettuce, and 44 percent of the tomatoes. And this doesn't include frozen and canned vegetables, all of which are brought in from outside. The State does produce a variety of tropical fruits, but its imports of such Mainland fruits as oranges, apples, pears, and grapefruit total more than 31 million pounds a year.

With the exception of corn, no grain is produced locally for human consumption. Rice occupies much the same position in the Hawaiian diet as potatoes do in the typical Mainlander's diet. About 55 million pounds of rice are brought into Hawaii annually, mostly from the Sacramento area. Yearly imports of around 68 million pounds of Mainland wheat are milled locally to produce 90 percent of the flour consumed in the State, while another 6.6 million pounds of Mainland-milled flour make up the remaining 10 percent.

In addition to dairy processing and flour milling, food processing in Hawaii is concentrated largely in the production of sugar, canned pineapple, fruit juices and preserves, canned fish, bakery products, and some ethnic foods—and even these industries rely to varying degrees on materials, machinery, and containers brought in from outside the State. We are entirely dependent on imports for such things as cereals, baby foods, soups, cheese (except cottage cheese), TV dinners, pet food, wine and most hard liquors, cooking oils, most salt, and an endless list of other food items.

¹ Figures are for 1970, the most recent year in which shipping was uninterrupted.

CLOTHING

Hawaii's garment industry produces island-style sportswear which meets some of the needs of local residents for work as well as play. But unlike the tourists in Walkiki, local residents don't normally spend all of their time in aloha shirts, muumuus, and bikinis. We need business suits and dresses, shoes, socks, or hose, sweaters, underwear—all of which must come from outside the State. One large Honolulu department store estimates that only 30 percent of its women's clothing and 20 percent of its men's clothing sales are of locally manufactured goods. Nearly all of the rest of its stock is brought in from the Mainland U.S.

Even the local garment industry is by no means self-sufficient. There is no textile manufacturing in the State, except for the printing of some imported fabrics. Until recently around 90 percent of the fabric used by local garment manufacturers was imported from Japan. (While Japan remains the major supplier, revaluation of the yen and rising prices in that country have caused the industry to turn increasingly to other sources in Asia and the Mainland U.S.) Although only a local dock tie-up can seriously interfere with the bulk of Hawaii's textile imports, since fabrics are largely of foreign origin, interruption on the Mainland-Hawaii route can still affect garment production. The industry relies on Mainland manufacturers for most of the buttons, zippers, and thread it uses.

TRANSPORTATION EQUIPMENT

With the exception of boats and specialized truck bodies (both made from imported materials), Hawaii manufactures no transportation equipment. All cars, trucks, buses, airplanes, tires, batteries, and parts must be imported. Demand is substantial. In 1971, there were more than 425,000 motor vehicles registered in the State, and new cars sold in Honolulu County alone totaled more than 32,000.

Over half of the cars brought into Hawaii come from Mainland ports on U.S. vessels. In 1970, with no transportation tie-ups, American-made autos accounted for 60 percent of the new cars sold in Honolulu County. (In strike-plagued 1971, American cars fell to 51 percent of the total, but in 1972 they rebounded to 55 percent.) The increasingly popular Japanese makes, which have accounted for about one-third of new car sales in Honolulu in recent years, are imported from the country of origin on foreign-flag vessels, as are Volkswagens and some other European cars. But several European makes and most European auto parts are shipped to Hawaii from West Coast ports on American ships.

OTHER MACHINERY

Hawaii's almost total lack of metal resources makes the State ultimately dependent on imports for all types of machinery—home, office, and industrial. There is some machinery manufactured locally, primarily agricultural equipment, but of course the raw materials are imported. All such goods as typewriters, television sets, radios, refrigerators, computers, cash registers, clothes washers and dryers, and communications equipment—as well as parts for all of them—must be brought in from either the Mainland U.S. or abroad.

PAPER AND ALLIED PRODUCTS

There are no pulp or paper mills in Hawaii. We depend on imports, either in raw or finished form, for all of the paper products consumed in the State—paper towels, toilet paper, and napkins for homes; stationery, envelopes, and printed forms for offices and banks; industrial paper goods and containers for factories; and newsprint and coated paper for the printing industry. In 1970, when shipping was normal, we imported more than 166,000 tons of pulp, paper, and printed matter. Around 38,000 tons was newsprint, which comes primarily from Canada. But of the remaining 128,000 tons, more than 98 percent came from the Mainland states.

MEDICAL SUPPLIES

Hawaii depends on Mainland U.S. manufacturers for all of its drugs and hospital supplies. Because of the critical nature of these items, of course, the State has never had to do without, even in the most serious transportation

strikes. One major distributor reports that 15 percent of its medical supplies are normally brought in by air, and that most other essentials can be given priority in air shipment during maritime or dock strikes. Emergency arrangements could be made in a major airline strike. But the fact that such emergency measures are necessary only further emphasizes Hawaii's vulnerability to transportation interruptions.

BUILDING MATERIALS

Construction is big business in Hawaii. At its peak in 1970 (before the West Coast dock strike and a general business slowdown), the industry accounted for 7.6 percent of total employment in the State, compared to only 4.3 percent in the U.S. as a whole. Total construction put in place was valued at more than \$783.8 million, or the equivalent of 22.6 percent of total personal income, while nationally it was equivalent to only 11.7 percent. The industry depends on Mainland imports for nearly all of its materials and equipment.

Eucalyptus robusta is the only Hawaii-grown wood used in any quantity in local construction, and it meets only a tiny fraction of the industry's wood requirements. Hawaii's imports of lumber from the Mainland were estimated at 115 million board feet in 1967-95 percent of the State's total lumber consumption. Locally produced hardwoods made up only 3 percent of total consumption, while foreign imports (primarily from Canada) accounted for 2 percent. Plywood and veneer imports from the Mainland were estimated at 22 million square feet, or 86 percent of Hawaii's total consumption of these products, with the rest coming from foreign countries. It was estimated that the construction industry accounts for more than two-thirds of the State's total wood consumption.

Hawaii's mineral resources are essentially limited to sand and gravel, clay, lime, pumice and volcanic cinder, and bauxite. Cement and concrete products are produced locally for construction, but two necessary ingredients—silica sand and gypsum rock—come from the Continental U.S. All metal materials must be imported in some form, generally as finished products such as structural steel, wire, pipe, plumbing fixtures, sheet metal, etc. All glass is imported, predominantly from the Mainland, as is all paint.

AGRICULTURAL MATERIALS

Even the State's agricultural industries—major sources of export income and employment—are far from self-sufficient. Although some of the fertilizers used for sugar, pineapple, and other Island crops are mixed in Hawaii, all ingredients must be imported. No insecticides, pesticides, or herbicides are manufactured from local materials. Our imports of both agricultural chemicals and fertilizers come almost exclusively from the Mainland U.S.

Our sugar and pineapple manufacturers depend on imports for machinery, of course, but also for assorted raw materials. For instance, although cans for Hawaii's pineapple products are manufactured locally, every material that goes into them—tinplate, solder, labels, glue—must be brought in.

As we noted in our discussion of foods, in spite of repeated attempts to develop local sources of feed grain, nearly all of the feed consumed by Hawaii's livestock industry is imported from the Mainland. In 1970, our feed inshipments amounted to nearly 166,000 tons. By 1971, in spite of shipping interruptions, inshipments had increased to over 177,000 tons.

MISCELLANEOUS ITEMS

No industry or individual in Hawaii is free from independence on imported goods. Other items for which we depend on outside sources range from large household durables to the most mundane necessities—toothpaste, razor blades, soap, most furniture, rugs, household and hotel linens, china, cooking utensils, light bulbs, cigarettes—even U.S. currency, which local banks ship in at the rate of millions of dollars a year. If a thing can't be made out of lava, coral, air, water, or semitropical plants, then the chances are good that Hawaii must import it or its components.

Obviously in order to import commodities in such volume, Hawaii must have a very large export trade to provide the money to pay for the imports. Hawaii's exports, like the exports of any country or part of a country, fall into two categories—visible and invisible.

Hawaii's visible—or commodity—exports are mainly sugar and pineapple, although there is a considerable volume of other products that we produce and ship to the Mainland U.S.

SUGAR

In a normal year we will ship to the Mainland approximately 1,200,000 tons of raw sugar.

PINEAPPLE

Pineapple production is somewhat more variable than sugar production. In recent years, pineapple production, most all of which is shipped to the Mainland, has been in the range of 17 million cases of solid fruit, 11 million cases of juice, and 1 million of juice concentrates. It is expected that in 1973 Hawaii will additionally ship to the Mainland close to 70 million pounds of fresh pineapple.

GARMENTS

No precise figures are available, but it is estimated that approximately \$15 million of garments made in Hawaii go the Mainland markets each year.

PAPAYA

Since 1964, Hawaii has more than doubled her outshipments of fresh papaya to the Mainland. Now close to 10 million pounds of fresh papaya are air flown to the Mainland each year and local producers look to continued expansion of this market.

While Mainland marketings comprise between 40 and 45 percent of the volume of Hawaii's fresh papaya sales, the return on these marketings accounts for 50 percent of papaya receipts.

In addition to fresh fruit marketings, Hawaii ships close to 1 million pounds of processed papaya products to the Mainland each year.

MACADAMIA NUTS

In 1971, 1.5 million pounds of processed macadamia nuts went to Mainland markets—double the 1964 volume of shipments. With the tremendous planting of new trees in recent years, as the orchards mature and as more trees reach the bearing stage, the increase in macadamia exports to the Mainland should be even greater during this decade.

FLOWERS AND NURSERY PRODUCTS

Out-of-state sales of flowers and nursery products were valued at \$2.7 million in 1971. The sale of anthuriums accounted for 56 percent and orchids 28 percent of Hawaii's horticultural exports. Although no figures are available, it is known that the overwhelming majority of these exports go to the Mainland.

Anthurium outshipments to the Mainland, doubling in the past six years, totaled 6.5 million flowers last year. Mainland sales represented 49 percent of Hawaii's anthurium market in 1970 and 65 percent in 1971.

Hawaii's invisible exports—services sold locally for Mainland dollars—consist primarily of sales to the Federal government (mainly the defense agencies) and to Mainland visitors.

DEFENSE

About one-third of all defense agency expenditures in Hawaii are for the purchase of commodities or services from outside contracting agencies. This amounts to between \$200- and \$300-million a year, and a fairly large fraction of this is for contract construction. Shipping strikes, which interfere drastically with the flow of building materials to the islands, cause a very large loss in revenue from this source.

VISITORS

Approximately 1.6 million visitors came to Hawaii last year from the Mainland U.S., staying an average of 9.3 days each (14.9 million visitor days) and spending while in Hawaii approximately \$41 per person per day (\$607 million). There are various ways to measure the impact of this on Hawaii's economy, but our best

analysis would indicate that visitor spending supports, directly and indirectly, close to 20 percent of Hawaii's total economy. The visitor industry in Hawaii is of course completely dependent upon the maintenance of uninterrupted service by the eight U.S. trunk air carriers that serve Hawaii.

In summary, Hawaii is completely dependent for her economic life on the movement of commodities to and from the Mainland U.S., mostly by ship but partly by air, and on the movement of people to and from the Mainland U.S., now entirely by air.

It is estimated that in 1973 commodities moving to Hawaii from the Mainland U.S. by ship will amount to 5 million tons and by air to 50,000 tons. Commodity movement from Hawaii to the Mainland U.S. will be 2 million tons by ship and 25,000 tons by air. With a 1973 population of 823,000, this will mean 8.6 tons per person per year. This amounts to nearly 35 tons for a family of four.

As far as people are concerned (visitors plus local residents), it is estimated that in 1973 westbound carriers to Hawaii, most of which are domestic trunk carriers, will fly 2.3 million people to Hawaii.

It is obvious that without full, uninterrupted service between the Mainland U.S. and Hawaii, the Hawaiian economy suffers badly, and if the interruption is long and severe, we suffer drastically. This is documented in the following chapter.

CHAPTER II—TRANSPORTATION STRIKES AND THEIR IMPACT ON HAWAII

Over the past several decades, there have been hundreds of interruptions of shipping and air transportation between Hawaii and the Mainland U.S. Not merely a severe inconvenience and strain for Hawaii's consumers and businessmen, these interruptions have caused untold economic losses throughout the State.

Since World War II, more than four years' time has been lost through transportation strikes affecting Hawaii. Eight major strikes, only one centered in Hawaii, accounted for 637 of the lost days. They were:

1. The 53-day West Coast shipboard union strike in 1946.
2. The 96-day West Coast shipboard union strike in 1948.
3. The 177-day Hawaii longshoremen's strike in 1949.
4. The 66-day West Coast sailors' strike in 1952.
5. The 27-day West Coast shipboard union strike in 1962.
6. The 43-day machinists' strike of five trunk air carriers in 1966.
7. The 134-day West Coast longshoremen's strike in 1971-72.
8. The 41-day West Coast ship officers' strike in 1972.

Some of the scores of shorter or less damaging strikes which cost over a thousand more lost days are listed in the Appendix.

In addition to this cumulative total of over four years of interrupted transportation to and from Hawaii, there is the prestrike period of frantic stockpiling and the poststrike period of getting business back to normal. The cumulative total time of disruption due to transportation disputes may therefore well be in the range of six years since World War II—or nearly one-fourth of the time.

The 1949 strike of Hawaii's dockworkers was not only the longest, but the most severe. Because local docks were closed to all but military ships, virtually all of our oceanborne commerce was completely cut off.

But no one can say that a strike centered on the Mainland has much less of an impact on Hawaii. The great bulk of our commerce is with the Mainland states, primarily through West Coast ports. Although this two-way trade traverses thousands of miles of international waters, it is still considered domestic commerce and the law requires that it be carried on U.S. flag vessels. (The same type of regulation applies to air as well as ocean transportation. Passengers, for example, may not fly from any Mainland U.S. city to Hawaii on a foreign airline unless their destination is a foreign city beyond Hawaii.) Except in the event of a strike involving Hawaii's ports, foreign vessels can keep our commerce open with foreign countries. But our foreign commerce is nothing compared to our dependence on trade with the Mainland, and foreign vessels can do nothing to restore that.

Let's take a look at some of the most devastating transportation interruptions that have hit Hawaii in the past 24 years.

THE 1949 HAWAII DOCK STRIKE

The International Longshoremen's and Warehousemen's Union (ILWU) struck seven Hawaii stevedoring companies on May 1, 1949, when deadlocked talks on a wage reopener could not be resolved. Military shipping was exempted by the union and special ships carrying food were also allowed to unload, but otherwise the islands' docks were effectively closed. Hawaii's Governor seized the docks under a special dock seizure law passed by an emergency session of the Territorial Legislature, but little traffic could be resumed. The strike ended October 25, 1949, and the Governor returned the docks to the companies following a wage agreement.

THE 1952 SAILORS' STRIKE

The Sailors Union of the Pacific struck the Pacific Maritime Association (PMA), which represents West Coast shipping companies, on May 24, 1952, after contract negotiations broke down. The settlement didn't come until July 29—66 days later. This was followed by additional brief work stoppages by other shipboard unions which had been bargaining with the PMA but had waited until the Sailors' settlement.

THE 1962 WEST COAST MARITIME STRIKE

The three unlicensed seamen's unions—Sailors Union of the Pacific, Marine Firemen's Union, and the Marine Cooks and Stewards Union—struck the Pacific Maritime Association on March 16, 1962. They had failed to reach agreement after negotiating for seven months.

The merchant fleet of 120 ships operated by member companies of the PMA was idled for 27 days until the Taft-Hartley injunction invoked by President Kennedy sent the seamen back to work. Agreements were reached during the 80-day cooling-off period.

THE 1966 AIRLINE STRIKE

The Machinists Union struck five trunk airlines—Eastern, Northwest, Trans World, United, and National—on July 8, 1966, after lengthy negotiations failed to bring agreement. An estimated 4,100 flights and 150,000 travelers were affected daily by the strike. The airlines estimated their daily revenue loss at more than \$7 million.

United and Northwest airlines, two of the three scheduled U.S. carriers that served Hawaii at that time, normally operated a combined total of around 15 round trip flights daily between Hawaii and the Mainland, with an average combined load of 2,300 passengers. The 43-day strike, which ended on August 19, cost the Hawaiian economy some \$13.5 million, including the loss of 40,000 potential visitors. Hotels in Waikiki reported that occupancy rates were down 10 percent due to the strike. Obviously some hotels were hit harder than others, and these suffered severe financial strain. The two interisland air carriers reported their passenger load down substantially during the strike.

THE 1971 WEST COAST DOCK STRIKE

The ILWU struck the Pacific Maritime Association, representing West Coast stevedoring companies, on July 1, 1971, closing down docks all along the coasts of California, Oregon, Washington, and Alaska. Lengthy negotiations had failed to resolve disputed contract issues, chief of which was a jurisdictional dispute between the ILWU and the Teamsters Union.

As the strike wound up its third month, there was no progress. On October 6, 1971, President Nixon intervened by invoking the Taft-Hartley Act and asking the courts for an injunction. The injunction sent longshoremen on the West Coast back to work on October 9 for an 80-day cooling-off period. There were hardly any negotiations during the interim, however, and when the injunction expired in December, West Coast longshoremen rejected the employers' final offer and resumed the strike on January 17, 1972, after a holiday grace period.

Meanwhile, on the East Coast, the International Longshoremen's Association struck on October 1, 1971, closing all Atlantic and Gulf ports until President Nixon again invoked Taft-Hartley on November 26.

Agreement on the West Coast strike was finally reached on February 18, 1972. This agreement, which took so long to negotiate, will expire on June 30, 1973.

THE 1972 WEST COAST MARITIME STRIKE

The Masters, Mates and Pilots Union struck the Pacific Maritime Association on October 25, 1972, just before the critical holiday shopping season, leaving many Hawaii stores without their Christmas goods. A strike was not expected, and when it came, news reports anticipated only a brief stoppage. But the strike lasted 41 days—until December 4. A union of approximately 300 members was able to tie up the whole Pacific Coast merchant fleet of 67 ships for 41 days, cutting off supplies for more than 800,000 people in Hawaii. The dispute was finally settled on terms that were basically the same as those offered before the strike.

It is impossible to gauge the total impact of these transportation interruptions on the Hawaiian economy. There is no way to measure the number of businessmen who decided not to invest in Hawaii or the number of vacationers who decided not to visit Hawaii because of a strike—or even the threat of one. But the impact is painfully clear in the increased costs of doing business, the unemployment, and the rises in the cost of living resulting from these strikes.

The first and the hardest hit is the local business community. Retailers and wholesalers can't get their merchandise; construction firms can't get their materials; farmers can't get their chemicals and feeds; and manufacturers can neither get their supplies nor reach their usual markets.

Inured to the problem, many Hawaii firms resort to stockpiling supplies when a strike is threatened. But the costs of extra warehousing and handling and of borrowing or tying up capital to build inventory are tremendous. Some businesses devise emergency alternative means of reaching suppliers or markets—using air shipments during an ocean tie-up, routing goods through East Coast ports when West Coast ports are struck, etc. But this, too, is expensive. The squeeze on businesses was especially severe during the 1971 West Coast dock strike, when Phase I of the wage-price freeze prevented them from passing on most of these added costs. (Whether the costs are passed on are absorbed, of course, someone in Hawaii ends up paying.)

As the strike wears on, the impact on the business community is compounded. Local business services and lenders suffer as accounts fall behind in their payments. Advertising volume is reduced because merchants have nothing left to sell. Architects find that construction plans are put off, while employment agencies find that no one is hiring.

During the local dock strike in 1949, retail sales in Hawaii fell 12.5 percent below the same period in the previous year, while nationally they showed no appreciable change. With many small businessmen giving up entirely, out-migration accelerated and bank deposits declined. Farmers suffered severe shortages of fertilizer and feed, and some were forced to kill off part of their livestock. Construction volume dropped precipitously, and even the number of visitors to Hawaii was reduced.

During the 1971 West Coast dock strike, a pronounced slowing in the State's general fund tax collections reflected the overall damage endured by Hawaii's businesses. Revenues had increased 9 percent in the fiscal year ending June 30, 1971, the day before the strike began. But in the following five months, when Hawaii was in the midst of or recovering from the strike, the rate of increase in revenues slid to 2.8 percent. While it is true that 1971 was a recession year for Hawaii, tax revenues were up in the six months directly preceding the strike, with June ahead of the previous June by 9.9 percent.

Responding to a survey on the impact of the 1971 strike, local retailers reported sales declines ranging from 3 to 17 percent. Because of extra inventory and transportation costs, however, the drop in their profits was much more marked. Profits before taxes were down 50 percent from normal for a foreign car dealer, down 53 percent for an appliance dealer, down 25 percent for a housewares dealer, and down 19 percent for one drug store. A domestic car dealer reported profits down 200 percent (a loss, in other words), while for a paper products dealer profits were down 138 percent. Most businesses survived the strain, but some could not. One medium-sized furniture store struggled through the 134 days of the 1971 and early 1972 West Coast dock strikes, but it was caught by surprise by the deck officers' strike in the fall of 1972. Christmas furniture orders arrived too late for the holiday buying season, and the store went out of business.

The 1971-72 strike also had a severe effect on the State's construction industry. Construction in progress suffered lengthy delays, increasing costs considerably.

Completion of two large Honolulu office buildings was held up, for instance, and the resultant loss of rentals was serious. A hospital was forced to postpone its opening date because the dock strike delayed arrival of certain construction materials necessary for the building's completion. With conditions so uncertain, developers became hesitant to put new projects out for bid. One large construction company reported \$18 million in lost revenue and \$1.5 million in lost profits. Its employees lost \$10 million in wages. A construction materials supplier reported profits before taxes down 225 percent from normal, a substantial loss. Profits were down 20 percent for an equipment dealer, 20 percent for a general contracting firm, and 28 percent for one concrete accessories firm.

Hawaii's vital sugar and pineapple export industries suffer great financial losses during prolonged shipping strikes because they cannot get their products to market. Even in normal times, the returns on sugar and pineapple are below acceptable rates. Failure to supply their very competitive markets—as in the 1971-72 dock strike—results in lost customers, further deteriorating the industries' financial health.

Our pineapple industry markets 80 percent of its annual pack through West Coast ports, and the remaining 20 percent by way of Atlantic and Gulf ports. The 1971 West Coast dock strike caught the industry during the peak canning season, and millions of cases of pineapple backed up here, unable to find their way to market. One company had more than 9 million cases stored in warehouses at one time. A load was sent by chartered ship to the East Coast and hauled back overland to California to preserve that important market. Such storage, extra handling, and detoured transportation cost one company a million dollars.

National policy allows foreign pineapple to come into this country duty-free, but U.S. pineapple is kept out of foreign markets by high tariffs. The only place that Hawaii's high-cost pineapple industry can compete is on the Mainland. But when shipments are temporarily cut off by a transportation interruption, consumers buy other canned fruits or foreign pineapple, and those customers may be lost to us forever. It is no wonder that pineapple is a dying industry in Hawaii.

The sugar industry also had serious problems during the 1971 dock strike. Loss of markets has been of deep concern to the industry because it sells most of its sugar in the Western states where sugar production is in surplus. If the supply of sugar from Hawaii is cut off, industrial users can easily get their requirements from others, and this lost business is not easily won back. Then Hawaii is forced to ship its produce further east, and added transportation cost reduces margins. A transportation interruption truly reduces sugar's competitiveness.

During the 1971 strike, emergency sugar storage proved insufficient, and some of the production had to be stored outdoors under tarpaulin. More than 91,000 tons of raw sugar and 10,000 tons of molasses were in supplemental storage at the peak of the strike. Storage was eased to some extent by chartering ships to Gulf and East Coast ports and to Vancouver, from where the sugar was railed to the California refinery—but the added expense was enormous. The industry reported that extra costs resulting from the strike totaled close to \$6 million.

Next to suffer from the effects of transportation stoppages are Hawaii's wage earners, whose jobs disappear as the economy winds down. The impact on jobs is not immediate. Supplies on hand at the beginning of a strike can keep businesses operating normally for a while, and even when supplies begin to run out, employers try to keep workers on the payroll by shortening hours or by scheduling vacations during the slack period. But when the stoppage lasts more than two or three months, the number of people thrown out of work accelerates. Whatever gains are won by the strikers when the strike ends, the wages lost by these nonparticipants can never be recovered.

The worst spell of unemployment in Hawaii's modern history followed the longest dock strike in Hawaii's history. The Islands' unemployment rate was already up to 7 percent in 1949 as a result of the ongoing national recession. But the 177-day shutdown of local docks in May-October 1949 sent unemployment skyrocketing to over 32,000 workers—nearly 17 percent of the labor force at that time.

The second worst spell of unemployment in Hawaii's modern history followed the second longest dock strike. More than 23,000 workers were on the jobless rolls in November 1971, following the first 100 days of the West Coast dock strike. When the strike was resumed in January-February 1972, unemployment rose to 23,650 workers in February. This gave Hawaii an unemployment rate of

6.3 percent in November and 6.5 percent by February—the highest rates experienced since 1954, and the first period since 1956 when Hawaii's unemployment rate exceeded the national average.

And finally, transportation interruptions often send prices soaring at a time when Hawaii's families can least afford it. The impact of these strikes on Hawaii's consumer prices is well documented by the consumer price and food price indexes compiled by the U.S. Department of Labor's Bureau of Labor Statistics.

Consumer prices in Hawaii climbed 3 percent during the May-October local dock strike in 1949, while nationally prices declined slightly.

The effect was even greater during the 100-day West Coast dock strike in the third quarter of 1971. Even with Phase I of the wage-price freeze in effect beginning mid-August, Honolulu food prices jumped 4.5 percent between June and October. By contrast, U.S. food prices declined 0.3 percent over the same period.

The major reason for the sharp increase in food prices was that grocery chains were forced to airlift fresh produce from the Mainland at much higher freight costs. The higher transportation costs were passed on to consumers because raw agricultural products were exempted from price controls. The fruits-and-vegetables price index for Honolulu vaulted 8.2 percent in August 1971 and 5.3 percent in September, while nationally these prices declined 1.9 percent in August and 5.7 percent in September. Hawaii's fresh produce prices normally would have followed this seasonal decline.

The same pattern of rising food prices appeared when the 1971 dock strike was resumed in January 1972 after the Taft-Hartley cooling-off period, and again during the strike of the Masters, Mates and Pilots Union in the fall of 1972.

Price indexes are academic, but the effect on the pocketbook is not. How many Mainland families would have been willing to pay 72¢ for a head of lettuce, \$1.45 for a dozen oranges, or \$2.28 for 10 pounds of potatoes in February 1972? Yet in Hawaii, where salaries are generally no higher than on the Mainland, these were the *average* prices families had to pay—or do without.

These effects are most pronounced during a long transportation stoppage, but it should be realized that it isn't just long transportation strikes that hurt Hawaii. Short strikes are short strikes *only in retrospect*; they could turn into long strikes, and they trigger the response that a long strike would provoke: stockpiling, hoarding, panic buying, etc. And even the threat of a strike that never comes off is only a threat *in retrospect*: when the threat looms on the horizon, businessmen and consumers adopt a here-we-go-again attitude and a resulting behavior pattern that can be as costly and disruptive as would be the case if the strike ultimately occurred.

The conclusion is clear: Hawaii must somehow find her way out of this precarious situation that she has been in for so long.

CHAPTER III—WHAT TO DO?

We have seen in Chapter I that Hawaii is completely dependent on water-borne commerce and air transportation. We have seen in Chapter II that dock, maritime, and airline strikes have in fact brought Hawaii, economically speaking, to her knees on many occasions. Now let us ask and answer in this chapter what should, can, and must be done about this.

Out of all the froth and debate on this subject, three proposals seem to stand out. They are:

PROPOSAL A

Amend Taft-Hartley and the National Railway Labor Act so that they could be applied to regional or local emergencies, rather than only to national emergencies.

PROPOSAL B

Make a major revision of Taft-Hartley based upon experience with these two acts over the decades and include railroads and airlines under this act rather than under the Railway Labor Act.

PROPOSAL C

Push for special legislation that would exempt Hawaii from dock or maritime strikes and national airline strikes.

Our conclusions are that the first proposal would be wholly ineffective, that the second would be a long, arduous and controversial matter with the results uncertain, and that the best approach is the third. Let us now discuss the reasons for these conclusions.

PROPOSAL A. RECOGNIZE REGIONAL EMERGENCIES UNDER EXISTING LEGISLATION

Since the longshore and maritime industries are subject to Taft-Hartley emergency dispute procedures and since the airlines are subject to the Railway Labor Act emergency dispute procedures, it could be argued that the easiest and simplest solution would be to recognize regional as well as national emergencies in both of these acts, so that were Hawaii once again faced with a cutting of one of her two lifelines, this would be sufficient emergency to permit the President to trigger into operation the appropriate emergency dispute legislation.

This action alone would be wholly ineffective simply because the Railway Labor Act has not succeeded in dealing with major rail or airline strikes, and Taft-Hartley has been practically useless in dealing with longshore and maritime strikes. Nine times in less than a decade Congress has had to pass *ad hoc* legislation to prevent or end crippling rail strikes. The one big airline strike (1966) outlasted Railway Labor Act procedures and was only settled after emergency legislation had passed the Senate and was pending in the House.

Since Taft-Hartley was passed in 1947, it has been invoked 32 times in a vast array of industries—coal mining, meatpacking, atomic energy, basic steel, nonferrous metals, fabricated metal products, shipbuilding, telephone, aircraft-aerospace, longshore and maritime. On nine of these 32 occasions, the strike has been resumed after the 80-day procedure was exhausted, seven times in longshore and two times in the maritime industry. Taft-Hartley may have worked in the nontransportation field, but it has been a dismal failure in the longshore and maritime industries.

The conclusion is obvious: merely to include under Taft-Hartley and the Railway Labor Act regional emergencies such as would arise if Hawaii were cut off from the Mainland U.S. would do little, if anything, for Hawaii.

PROPOSAL B. MAKE A MAJOR REVISION OF TAFT-HARTLEY AND INCLUDE RAILROADS AND AIRLINES UNDER THIS ACT RATHER THAN THE RAILWAY LABOR ACT

As already noted, our studies have convinced us (as other studies have convinced almost every student of emergency disputes legislation) that the Railway Labor Act and the Taft-Hartley Act as it relates to transportation disputes are relatively ineffective and should be overhauled. With an effective emergency disputes law that would apply to regional and local emergencies, it is argued that not only would Hawaii be freed from crippling strikes but that other parts of the country (while not as seriously affected as Hawaii) would also be freed.

Furthermore, while there is disagreement about details, there is widespread agreement as to the general form of such legislation.

The majority of students of emergency strike legislation conclude that the best approach is what is variously called the "choice of procedures" approach or the "arsenal of weapons" approach. This approach has been described as being one "under which the President would have the authority in each dispute to choose from among several different strike controls. . . . Each and every type of control is attacked on one ground or another: for giving the President too much power or not enough, for being too vague or too precise, for favoring one party or the other. How better to make a virtue out of necessity than by abandoning the fruitless search for a single weapon that the parties will find equitable and, instead, threatening them with most of the weapons they find inequitable? Faced with this invitation to play Russian roulette with the man in the White House, the parties may well elect to settle their dispute without a strike."¹

The reason why this approach has such appeal is that no one single approach can possibly fit every situation. As David Cullen said, "It must now be clear that one of the easiest parlor games imaginable is puncturing other people's ideas for handling emergency strikes."² This is because every strike is different.

¹ D. Cullen, *National Emergency Strikes*, Cornell University, Ithaca, N.Y., 1968, pp. 107-8.

² *Ibid.*, p. 121.

There are different issues involved: different union leaderships; different relations between the leadership and the rank and file members; different management attitudes; different styles of negotiating; different histories of conflict between the parties; different levels of maturity in the union-management relationship; different attitudes toward the public welfare; different susceptibilities to public pressure; etc., etc., etc., etc.

If this approach were to be adopted with the provision that any approach the President took could be vetoed by either house of the Congress, the fear that this would give too much discretion to the Chief Executive would be overcome. As a matter of fact, it has been pointed out that there is no escaping executive discretion in triggering any strike control so far devised. The Congress in writing the Taft-Hartley Act tried to be every explicit in defining the emergency disputes where it would be applicable, yet no one has ever prevented the President from invoking it when he wanted to nor forced him to invoke it when he didn't want to. Furthermore, on the subject of the alleged possible "abuse of discretion," former Secretary of Labor W. Willard Wirtz has said: "When, under the present law, a strike is stopped by an injunction, the exercise of governmental power is no less real for its having been authorized by a statute passed years earlier by Congress. If that injunction is either unfair or ineffective as applied to the particular case, the evil of the exercise of centralized power is no less than if it resulted from either the inadvertent or malicious error of an executive or judicial officer armed with discretionary authority to apply the injunction. There is as much power exercised in the one case as in the other, and the automaticity regulating the form of its exercise in the one instance is as great a potential source of injustice as is the possible abuse of discretion in the other. It has not been shown, and is probably not true, that the exercise of executive discretion in these situations would result in greater unfairness than does automatic application of a single legislative prescription. It does not appeal to reason to argue that recourse in all household emergencies to a particular bottle of patent medicine avoids the possibility of human error which arises if the doctor is called in."²

In the last session of the Congress there were two major bills in the Senate which—between the two of them—inclosed almost every proposal that has been put forward to cope with emergency labor disputes.

These include the following:

1. Covering regional emergencies.
2. Partial operation—providing that the struck company will provide partial service.
3. Selective operation—providing that some companies in the struck industry would continue to operate.
4. An additional "cooling-off" period beyond the 80 days provided for by Taft-Hartley.
5. Authorizing boards of inquiry to make recommendations for settlement rather than merely report a finding of facts.
6. After a certain period of forced operation under an injunction, authorizing the President, subject to congressional veto, to:
 - a. Order extension of the status quo.
 - b. Seize the struck operation and operate it.
 - c. Order compulsory arbitration.
 - d. Order mediation "to finality"—i.e., lock up the parties until they come to an agreement.
7. Final offer selection—i.e., requiring the parties to the dispute to submit their final offers to a panel which would select one of the final offers in its entirety (without modification).

If the President had available to him all the above options which he could use as he saw fit depending upon the circumstances of the case (subject only to veto by one of the Houses of the Congress), he would truly have an arsenal of weapons for forcing a settlement of any dispute that was seriously detrimental to the country or to some portion of the country. He would not, as he has had to do in so many cases, have to go to Congress to seek special legislation aimed at settling a particular strike—a procedure that is almost universally condemned. As Dr.

² W. Wirtz, "The 'Choice-of-Procedures' Approach to National Emergency Disputes," in I. Bernstein, H. Eason, and R. Fleming (eds.), *Emergency Disputes and National Policy*, Harper, New York, 1955, p. 153.

Neil W. Chamberlain sums it up: "Congress is hardly an appropriate agency to deal with an *ad hoc* dispute . . . Unless there is some issue which so stirs up emotions as to prompt a solid response, such as violence on the picket line or flagrant disregard of public welfare, congressional debate over the merits of the dispute will simply reproduce the partisan arguments of the bargaining table without even the relevant knowledge which the negotiators possessed. If emotions are sufficiently inflamed to lead to quick decision, we can be sure the decision will for that reason be uninformed.

"Moreover, when one considers that typically collective bargaining involves not just one or two but a dozen or two of separate and often complex issues, the possibilities for protracted debate and inept conclusion are many times multiplied. I agree wholeheartedly with Professor Richard Lester when he says, 'It is difficult to think of a more inappropriate body to which to submit a labor dispute for final adjudication than the Congress.'"⁴

We feel that the Congress would be perfectly content to leave the thankless problem of settling emergency disputes to someone else.

Our conclusion is that the Taft-Hartley Act and the Railway Labor Act are badly in need of overhaul, that the type of legislation that should be enacted to replace them is fairly well agreed upon in general outline, and that the Congress should act. On the other hand, President Nixon seems to have backed away from his earlier proposals along this line (S. 560) and Labor Secretary Peter Brennan has said that as long as he remains in the administration, he will advocate only voluntary means to settle all labor disputes including strikes in the trucking, maritime, longshore, airline, and rail industries. This attitude of the administration certainly does not preclude the Congress from acting, but it clearly makes action somewhat more difficult.

Also, our experience in Hawaii has been that when we have been crippled by a destructive transportation strike, it is extremely hard to get the ear of many people in Washington.

Realistically, then we move to our final proposal, which is the recommendation of this report.

PROPOSAL C. PARTIAL OPERATION FOR HAWAII

One of the three options provided for in S. 560 was the partial operation option. This proposal (in one form or another) was also included in the Staggers-Williams bill and the Javits bill and is currently in both the Fong (S. 640) and the Inouye (S. 231) bills. We propose that this portion of the suggested legislation be enacted to apply specifically to Hawaii in the event of longshore, maritime, or trunk carrier airline strikes or threats of strikes.

Under this option as contained in S. 560, the President would appoint an impartial, three-member board to determine the feasibility of partial operations in essential portions of a struck industry. The board would hold public hearings and order the extent and conditions of partial operation. The parties would be subject to the board's order for a period determined by the board, of not more than 180 days.

The partial operations law that we are proposing here would be more explicit than the terms of S. 560. It would provide that in the event of a longshore strike, or maritime strike, or a national strike of airline trunk carriers affecting service to Hawaii, the President would order service to Hawaii maintained at its normal prestrike level that a three-man impartial presidential board would administer this order by determining—in the light of all the interests involved—which carriers would operate at what volume to maintain the prestrike level of service to Hawaii, and what the terms and conditions of employment would be, and what the returns to the operators would be.

Partial operation involves only a minimum of government intervention. If confined to a small segment of the industry, it leaves the economic pressures of the shutdown in the major portion of the industry to serve as an incentive to settlement. It in no way interferes with the process of collective bargaining. It is fair to both parties to the dispute in that the bill would require that no order of the board shall place a greater economic burden on any party than that which a total cessation of operations would impose. And finally as applied to Hawaii,

⁴ N. W. Chamberlain, "The Problem of Strikes," in *Proceedings of New York University Thirteenth Annual Conference on Labor*, Matthew Bender, New York, 1960, pp. 444-45.

it would free this isolated island community from the continuing threat of a devastating cutting of its lifeline.

It would have the further advantage of giving this proposal a laboratory test to see how it works and what administrative problems would be involved if legislation providing for partial operation in struck transportation industries were enacted for the country as a whole. After all, the main objection to limited partial operation of an industry during an emergency strike is that the administration would be too difficult. This would provide the country with a laboratory or test tube experience with respect to the workability of such a procedure.

One of the administrative problems of partial operations would be proper rate setting since unit costs tend to skyrocket when an industry is operating at only a small fraction of capacity.

Since the key to the partial operations proposal is that operations must be confined to a small segment of the industry, the primary question is: What fraction of the airline industry, the longshore industry, or the maritime industry would be involved if Hawaii were in effect exempted from the strike through this partial operation procedure? As we shall see, the answer is such a tiny fraction that it would in no way alter the course of the negotiations.

Airlines.—The ten U.S. trunk carriers operate 1,756 aircraft. Of the eight trunk carriers serving Hawaii, current schedules call for 41 round trips per day from the Mainland U.S. to Hawaii. One aircraft can make at least one round trip each day. These 41 aircraft would constitute less than 2½ percent of the fleet.

West Coast Longshore.—In the course of normal operation in the West Coast ports, only 3 percent of the total longshore hours worked are devoted to handling commodities bound to or from Hawaii. Or, out of the current normal work force of nearly 11,000, only about 300 men would be involved.

West Coast Maritime.—Of the man-days worked by sea-going personnel on U.S. flagships moving out of West Coast ports, only 7.3 percent are worked on ships in the Hawaii trade. This ranges from a low of 5.4 percent of staff officers' man-days to a high of 10 percent of engineers' man-days.

East and Gulf Coast Longshore and Maritime.—We have not been able to obtain figures for the East and Gulf Coasts that are comparable to the above figures for the West Coast. However, for one sample year for which data are available (1962) only 2.8 percent of all domestic dry cargo moving in or out of East Coast and Gulf ports was destined to or arriving from Hawaii. This 2.8 percent figure is not comparable to our 7 percent figure for West Coast maritime because it is the fraction of domestic oceanborne cargo—not total cargo carried in American flagships. A figure comparable to our West Coast one would probably be less than 2 percent. Based on West Coast ratios of maritime to longshore devoted to the Hawaiian trade (7 percent maritime to 3 percent longshore), a comparable figure for the fraction of longshore man-hours that are devoted to the Hawaii trade in the East and Gulf ports would probably be less than 1 percent.

In our opinion, keeping approximately 2½ percent of the airlines flying in the event of a national strike of trunk carriers, or 3 percent of the longshoremen working in the event of a West Coast dock strike or less than 1 percent in the event of an East Coast or Gulf dock strike, or some 7 percent of the West Coast maritime workers on the job in the event of a West Coast maritime strike, or 2 percent in the event of an East Coast or Gulf maritime strike, would not in any sense remove from either the union or the companies involved any economic pressures to continue to bargain and to try to reach a settlement. The issue, clearly, is *de minimis*.

It is obvious that in this discussion no mention has been made of the problems Hawaii would face if her own docks were closed by a labor dispute. An integral part of this proposal would have to be a provision such as is contained in the Fong bill (S. 640) that would make this proposal applicable if Hawaii is deprived of essential transportation services, regardless of the locale of the disruption.

Our conclusion therefore is that all interested parties should join hands and work diligently to persuade the Congress to enact legislation which would provide for partial operation of the docks, the maritime industry, and the trunk air carriers serving Hawaii in the event of a strike. This partial operation would consist of maintaining normal service between Hawaii and the Mainland U.S.

This special legislation for Hawaii's problems would be in no way incompatible with other, broader legislation (Proposal B above) in the emergency labor dis-

putes areas; it would simply ensure that Hawaii's special needs would be automatically met. And finally it should of course be added that such special legislation might also apply to Guam, Samoa, Puerto Rico, and the Virgin Islands—the other offshore areas of the U.S.—but in this case study of Hawaii, we can speak only for ourselves.

APPENDIX

TRANSPORTATION STOPPAGES AFFECTING HAWAII, 1946-72

| Strike | Date commenced | Days duration | Involving |
|-----------------------------|----------------|---------------|--|
| Longshore..... | Jan. 2, 1946 | 16 | ILWU, Port Hueneme, Calif. |
| Do..... | Feb. 4, 1946 | 9 | ILA, New York. |
| Do..... | June 11, 1946 | 4 | ILWU, Hawaii. |
| Do..... | June 17, 1946 | 2 | ILWU, Los Angeles. |
| Maritime..... | July 10, 1946 | 4 | NMU, SIU, Atlantic. |
| Longshore..... | July 12, 1946 | 2 | ILWU, Los Angeles and Long Beach. |
| Maritime..... | Sept. 5, 1946 | 16 | Seamen AFL/CIO, nationwide. |
| Maritime and longshore..... | Oct. 1, 1946 | 53 | MEBA, MMP, ILWU, 21 States. |
| Longshore..... | Nov. 23, 1946 | 16 | ILWU, Puget Sound, Wash. |
| Maritime..... | June 16, 1947 | 4 | NMU, ARA, nationwide. |
| Longshore..... | June 17, 1947 | 2 | ILWU, Hawaii. |
| Do..... | July 11, 1947 | 2 | Do. |
| Do..... | Oct. 1, 1947 | 7 | ILWU, Los Angeles and Long Beach. |
| Do..... | Nov. 10, 1947 | 17 | ILA, east coast. |
| Do..... | Feb. 29, 1948 | 20 | ILWU, Los Angeles and Long Beach. |
| Maritime and longshore..... | Sept. 2, 1948 | 96 | MEBA, NUMCS, ARA, MFOU, Pacific; ILWU, west coast. |
| Longshore..... | Nov. 10, 1948 | 18 | ILA, east coast. |
| Do..... | May 1, 1949 | 177 | ILWU, Hawaii. |
| Maritime..... | June 16, 1951 | 10 | MEBA, ARA, NMU, nationwide. |
| Longshore..... | July 6, 1951 | 43 | ILA, Boston and New York. |
| Maritime..... | July 28, 1951 | 4 | ARA, Pacific. |
| Longshore..... | Oct. 12, 1951 | 4 | ILWU, Hawaii. |
| Do..... | Oct. 15, 1951 | 26 | ILA, New York and Boston. |
| Do..... | Nov. 21, 1951 | 2 | ILWU, Hawaii. |
| Maritime..... | May 27, 1952 | 66 | SUP, Pacific. |
| Do..... | July 28, 1952 | 4 | MMP, ARA, Pacific. |
| Longshore..... | Oct. 9, 1952 | 5 | ILWU, Hawaii. |
| Maritime..... | Nov. 5, 1952 | 6 | SUP, Pacific. |
| Longshore..... | Nov. 20, 1952 | 12 | ILWU, Hawaii. |
| Do..... | June 19, 1953 | 3 | Do. |
| Maritime and longshore..... | Oct. 1, 1953 | 5 | ILA, MMP, east coast. |
| Longshore..... | Feb. 28, 1954 | 10 | ILA, IBT, New York. |
| Do..... | Mar. 5, 1954 | 29 | ILA, New York. |
| Maritime..... | Dec. 2, 1954 | 6 | ARA, Pacific. |
| Airline..... | June 19, 1955 | 10 | Pilots, UAL. |
| Longshore..... | Aug. 16, 1955 | 3 | ILWU, Hawaii. |
| Do..... | Sept. 7, 1955 | 8 | ILA, New York. |
| Do..... | Oct. 1, 1955 | 20 | Do. |
| Maritime..... | Dec. 7, 1955 | 2 | MFOU, San Francisco and Los Angeles. |
| Do..... | May 11, 1956 | 8 | MMP, MEBA, SIU, Atlantic and gulf. |
| Longshore..... | Nov. 16, 1956 | 9 | ILA, east coast and gulf. |
| Do..... | Feb. 12, 1957 | 10 | ILA, east coast. |
| Do..... | June 29, 1958 | 2 | ILWU, Hawaii. |
| Do..... | Mar. 9, 1959 | 3 | ILWU, San Francisco. |
| Do..... | July 4, 1959 | 2 | ILWU, Hawaii. |
| Do..... | Oct. 1, 1959 | 8 | ILA, east coast and gulf. |
| Do..... | Apr. 16, 1960 | 3 | ILWU, Hawaii. |
| Do..... | Aug. 12, 1960 | 14 | ILWU, Los Angeles. |
| Do..... | Feb. 9, 1961 | 5 | ILWU, San Francisco. |
| Do..... | Mar. 7, 1961 | 7 | ILWU, Los Angeles and San Francisco. |
| Maritime..... | June 16, 1961 | 17 | MMP, MEBA, ARA, nationwide. |
| Do..... | Sept. 28, 1961 | 14 | MMP, Pacific. |
| Airline..... | Feb. 19, 1962 | 2 | Ft. Engrs., Pan American. |
| Maritime..... | Mar. 16, 1962 | 27 | SUP, MFOU, SIU, MCS, Pacific. |
| Longshore..... | Sept. 12, 1962 | 5 | ILWU, Hawaii. |
| Do..... | Sept. 23, 1962 | 2 | Do. |
| Do..... | Oct. 1, 1962 | 5 | ILA, east coast and gulf. |
| Do..... | Dec. 24, 1962 | 33 | Do. |
| Maritime..... | Jan. 18, 1964 | 2 | MEBA, San Francisco. |
| Longshore..... | Jan. 11, 1965 | 61 | ILA, east coast and gulf. |
| Airline..... | Apr. 1, 1965 | 10 | Pilots, Pan American. |
| Maritime..... | June 16, 1965 | 79 | MEBA, MMP, ARA, Atlantic. |
| Longshore..... | June 21, 1965 | 2 | ILWU, Hawaii. |
| Do..... | Aug. 7, 1965 | 2 | Do. |
| Maritime..... | Oct. 17, 1965 | 4 | ARA, Pacific. |

| Strike | Date commenced | Days duration | Involving |
|----------------|----------------|---------------|--------------------------------------|
| Longshore..... | May 23, 1966 | 3 | ILWU, Hawaii. |
| Airline..... | July 7, 1966 | 43 | IAM, United and Northwest. |
| Maritime..... | July 19, 1966 | 5 | MEBA, Pacific. |
| Longshore..... | Feb. 14, 1967 | 4 | ILWU, Hawaii. |
| Do..... | Mar. 20, 1967 | 3 | Do. |
| Do..... | June 1, 1967 | 3 | Do. |
| Maritime..... | June 15, 1967 | 7 | MMP, east coast and gulf. |
| Longshore..... | Oct. 20, 1967 | 19 | SSU, ILA, New York. |
| Airline..... | Feb. 20, 1968 | 3 | BRAC, Pan American. |
| Longshore..... | Mar. 18, 1968 | 11 | ILA, east coast. |
| Maritime..... | June 29, 1968 | 3 | NMU, Atlantic. |
| Longshore..... | Nov. 18, 1968 | 5 | ILWU, San Pedro, Calif. |
| Do..... | Dec. 20, 1968 | 125 | ILA, east coast and gulf. |
| Do..... | Mar. 17, 1969 | 20 | ILWU, San Francisco and Los Angeles. |
| Maritime..... | Nov. 17, 1969 | 47 | MFOU, SUP, MCS, Pacific. |
| Longshore..... | May 11, 1970 | 25 | ILWU, Oregon. |
| Airline..... | July 8, 1970 | 43 | BRAC, Northwest Airlines. |
| Longshore..... | Dec. 7, 1970 | 3 | ILA, New York and New Jersey. |
| Do..... | June 9, 1971 | 10 | ILWU, San Francisco. |
| Do..... | July 1, 1971 | 100 | ILWU, west coast. |
| Do..... | Oct. 1, 1971 | 57 | ILA, east coast and gulf. |
| Do..... | Jan. 17, 1972 | 34 | ILWU, west coast. |
| Airline..... | June 30, 1972 | 95 | Pilots, Northwest Airlines. |
| Maritime..... | Oct. 25, 1972 | 41 | MMP, Pacific. |

Note: This list is far from complete. Excluded are hundreds of short strikes of less than 2 days, strikes involving only 1 ship, or strikes holding up shipping that is not essential to Hawaii. Whatever the cumulative toll of these brief strikes in terms of delays, uncertainties, and costs may be, we omit them here because this appendix would be about 30 pages long if they were all listed.

Mr. HITCH. I would only like to add that I have been asked by the Chamber of Commerce of Hawaii to submit a 2-page statement, which I have given to the staff of your committee which represents the views of the Chamber of Commerce of Hawaii which is a State-wide chamber and the 11 associated Chambers of Commerce to the Chamber of Commerce of Hawaii, namely, the Chinese Chamber of Commerce, Filipino Chamber of Commerce, Hawaii Island Chamber of Commerce, Honolulu Japanese Chamber of Commerce, Japanese Chamber of Commerce and Industry of Hawaii, Kailua Chamber of Commerce, Kauai Chamber of Commerce, Kona Chamber of Commerce, Korean Chamber of Commerce, Maui Chamber of Commerce and Molokai Chamber of Commerce.

This has been given to your staff, sir.

[The letter referred to follows:]

CHAMBER OF COMMERCE OF HAWAII,
June 1975.

Re: H.R. 7180.

Representative JOHN JARMAN,
Chairman, Subcommittee on Transportation and Aeronautics, House Committee
on Interstate and Foreign Commerce, Washington, D.C.

GENTLEMEN: The serious and often tragic impact of shipping interruptions on the entire State of Hawaii has been well documented. It has again been placed in focus in the most informative brochure, "Hawaii: The Most Vulnerable State in the Nation", copies of which have been made available to you by our representative, Dr. Thomas K. Hitch, Director of Research, First Hawaiian Bank.

Our total economy suffers, not only during a strike but also during the frantic stockpiling when a strike is threatened and during many months of recovery afterwards. Many businesses do not recover. Markets are permanently lost when Hawaii is forced to find foreign suppliers and when Hawaii is unable to deliver promised supplies to foreign purchasers. There is a permanent economic burden due to the cost of continually maintaining large inventories as a hedge against the ever present threat of yet another strike by any one of the many unions that can tie up west coast shipping—the source of most of Hawaii's in-shippments and the destination of most of Hawaii's out-shippments.

The Chamber of Commerce of Hawaii and its Associate Chambers of Commerce have given this problem serious study and thought for many years. Twenty years ago we established a Committee on Uninterrupted Shipping which has on many occasions recommended support of various bills that have been before the Congress that we thought might, in one way or another, alleviate this problem. Now new legislation has been introduced to protect Hawaii, and we feel that it is the best solution that has yet been proposed. H.R. 7189 could provide major protection without requiring any serious limitation on collective bargaining processes. By exempting Hawaii and U.S. Pacific Islands from any west coast strike or lockout in longshore or maritime industries for 160 days, in addition to the period of any Taft-Hartley injunction, it could give us 240 days exemption. That is longer than any of the strikes to date, and ample time to stockpile needed supplies if deemed necessary after interruption of shipping commenced.

While shipping to Hawaii is our very lifeline, it represents a small part of the maritime industry. The continued operation of that small part serving Hawaii should not have a major effect on negotiations during a strike. This appears to be the acceptable solution.

The Chamber of Commerce of Hawaii and its eleven Associate Chambers strongly support early consideration and passage of this bill. Hawaii remains "the most vulnerable State in the Nation" until protective legislation is enacted.

Sincerely,

RAY MILICI,
Chairman of the Board.

Associate Chambers

Chinese Chamber of Commerce of Hawaii, Filipino Chamber of Commerce, Hawaii Island Chamber of Commerce, Honolulu Japanese Chamber of Commerce, Japanese Chamber of Commerce & Industry of Hawaii, Kailua Chamber of Commerce, Kauai Chamber of Commerce, Kona Chamber of Commerce, Korean Chamber of Commerce, Maui Chamber of Commerce, and Molokai Chamber of Commerce.

Mr. JARMAN. Doctor, you are an effective anchorman on the team this morning and we appreciate hearing your discussion of this problem. Mr. Harvey?

Mr. HARVEY. I have no questions, but I would like to congratulate Dr. Hitch also and express the view that we are in sympathy with the legislation that you proposed. I think the only question on the part of many of us is whether it goes far enough.

Your folder, "Hawaii, the Most Vulnerable State in the Nation" is very well prepared and very well done.

Mr. HITCH. In the third chapter of this folder where we dealt with possible alternative solutions and came up with what I said was essentially what is contained in this legislation, we did propose going somewhat further, that is, no time limit, include air as well as shipping, and include the east and gulf maritime and docks as well as the west coast. But the real, primary basic need is shipping from the west coast and that is covered by this legislation.

Mr. HARVEY. Thank you again.

Mr. JARMAN. I can say personally and for the subcommittee this has been an excellent presentation on a very serious subject and we will be studying very carefully the testimony and the complete statements that are now a part of the record.

Mr. MATSUNAGA. This concludes the list of witnesses for today, Mr. Chairman and members of the subcommittee. I again wish to thank you for making special arrangements to hear us today.

Tomorrow, the hearings on the Senate side will begin and witnesses from Hawaii will be appearing before the Senate committee tomorrow.

Your making this time available has saved considerable expense for them in making it unnecessary for them to return again to attend a House hearing, were it held at another time.

I speak, I am sure, on behalf of all witnesses this morning to thank you for your most considerate and kind attention.

Mr. JARMAN. We are delighted to work with our colleagues from Hawaii here in the House and Senate and will give the most careful consideration to this problem.

At this time, the subcommittee will stand adjourned subject to the call of the chair.

[Whereupon, at 11:45 a.m., the subcommittee adjourned subject to the call of the chair.]

HAWAII AND WESTERN ISLANDS SURFACE COMMERCE PROTECTION ACT

FRIDAY, SEPTEMBER 27, 1974

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. John D. Dingell, presiding [Hon. John Jarman, chairman].

Mr. DINGELL. The subcommittee will come to order.

This is a hearing on H.R. 7189, which is sponsored by our good friends, Mr. Matsunaga, Mrs. Mink, and Mr. Won Pat. The Chair is very pleased to conduct these hearings for our good friends and I am sure the members of the subcommittee are particularly pleased to be of assistance to these extremely valuable members of this body in connection with the important problems which they face.

The bill, H.R. 7189, would amend title II of the Railway Labor Act to provide for a normal flow of ocean commerce between Hawaii, Guam, and American Samoa, or the Trust Territory of the Pacific Islands and the west coast of the United States. The committee held 1 day of hearings on this subject in the first session of this Congress. It is hoped that the committee will be able to procure valuable additional testimony which will assist the committee in its deliberations on this bill.

The Chair wishes to commend Mr. Matsunaga and Mrs. Mink and Mr. Won Pat, the principal authors of this bill, for the diligent way in which they have pushed for hearings on this matter and have sought to resolve the difficulties which relate to the consideration of H.R. 7189.

The Chair is pleased to welcome as our first witness the Honorable Spark M. Matsunaga, Member of Congress from Hawaii. The Chair notes that he is associated with our able friend and colleague, the Honorable Patsy Mink, also a Member of Congress from Hawaii.

Mr. Matsunaga and Mrs. Mink, we are privileged to have you with us this morning.

STATEMENT OF HON. SPARK M. MATSUNAGA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mr. MATSUNAGA. Thank you very much, Mr. Chairman and Congressman Kuykendall, for scheduling this concluding session of hear-

ing on H.R. 7189, the proposed Hawaii and Western Islands Surface Commerce Protection Act, one of the most important bills involving Hawaii's interests since Hawaii became a State.

You will recall that I testified at some length before the subcommittee in June of 1973 when opening hearings were held. I shall not take the subcommittee's time to reiterate what I said then, although nothing has diminished the urgency and need for the bill I expressed then.

However, I do want to emphasize very briefly the importance of H.R. 7189 to the people of Hawaii. Since World War II Hawaii-west coast trade has been disrupted for a total of four years by shipping disputes of one type or another. The impact of these disruptions and distortions caused by anticipation of disruptions whether they actually occurred or not have caused economic, psychological and social hardship for the people of Hawaii. During the 1971-72 major west coast shipping strike which lasted 134 days Hawaii was truly hard hit. An independent analysis set the strictly economic cost at about \$154 million. Another estimated \$93 million in price rises were avoided only because the initial strike period began during the wage-price freeze imposed by President Nixon. Unemployment increased substantially during the strike, from 5.4 percent to 7.2 percent. The loss of jobs directly attributed to the strike totaled 12,500, a substantial number in a state where only about 300,000 are employed.

H.R. 7189 would eliminate human and economic costs like these. It would eliminate excessive warehousing costs at rates 250 percent of those on the mainland. It would ease the anxiety in the minds of almost a million Americans residing in Hawaii and the western Pacific islands.

Is H.R. 7189 antilabor? If it was, neither my colleague Mrs. Mink, nor I, nor Mr. Won Pat would have introduced it, for we are all generally favorably predisposed toward the labor movement.

Will H.R. 7189 infringe on the free, collective bargaining process, as both management and labor claim it will? The experience of the past would indicate the answer to this most important question to be a definite "No."

H.R. 7189 merely provides for the free flow of commerce between the west coast and Hawaii and the western Pacific islands during any shipping strike or lockout on the west coast for a period not to exceed 160 days. To permit this, only 3 to 3.5 percent of the dock workers and 7 percent of the shipboard workers would be involved. During the west coast dock strikes of 1971-72 all military cargo bound for Hawaii, the Pacific islands and Vietnam were allowed to go through. This required 7 percent of longshore manpower and 14 percent of shipboard manpower to work during the strike, or double the manpower which would be required under H.R. 7189.

In fact, as much as 40 percent of the manpower were engaged at one time or other at some ports in the handling of military cargo. But the strikes continued effectively and the collective bargaining process worked out its intended course. H.R. 7189 would involve only half the manpower then required and should not interfere with collective bargaining.

I realize that organized labor has significant, good faith reservations about this bill and has banded it "antilabor." Management, too, opposes

the measure and considers it to be "pro-labor." The people of Hawaii, as innocent third parties, are caught in the middle and must suffer the consequences. If relief to the people of Hawaii and the Pacific Islands would mean injury to labor or management in the collective bargaining process, we would not be here today to ask for your favorable action on H.R. 7189.

We realize that H.R. 7189 may need to be amended to meet with your approval and we are prepared to meet with you during your business session or at any time to discuss any amendments which the subcommittee may deem desirable or necessary.

Mr. Chairman and members of the subcommittee, H.R. 7189 is intended to save untold hardships for nearly a million Americans in Hawaii and the Pacific islands, without in any perceptible way interfering with labor or management in the collective bargaining process. It deserves your speedy consideration and approval.

Mr. Chairman, unless you have questions you would like to direct at me at this point, I would like to yield to my colleague for a brief statement, before introducing witnesses who flew 5,000 miles from Hawaii to testify before this distinguished subcommittee.

Mr. KUYKENDALL. Mr. Chairman, I have just a technical question I would like to ask either of them.

Mr. DINGELL. The Chair recognizes Mr. Kuykendall.

Mr. KUYKENDALL. Approximately how many shipping companies are involved on the west coast in this whole problem and would there be such a heavy concentration in two or three companies that would almost dominate it?

Mr. MATSUNAGA. I believe there are three major shipping companies involved.

Mr. KUYKENDALL. What was the largest percentage of tonnage any one company would handle? Let us talk just about Hawaii. Matson was the largest one. What percentage would they do?

Mr. MATSUNAGA. About 70 percent.

Mr. DINGELL. The Chair recognizes now our good friend and colleague, the Honorable Patsy Mink, a very distinguished and able Representative in Congress from Hawaii.

STATEMENT OF HON. PATSY MINK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mrs. MINK. Thank you very much, Mr. Chairman and Mr. Kuykendall.

I appreciate very, very much the courtesies that you have extended my colleague, Mr. Matsunaga, and myself in calling these hearings to conclude the testimony on the bill H.R. 7189. As you recall, we had hearings last year in June as a preliminary to the passage of this legislation. The testimony which I presented last June still stands. It is, I understand, to be included in the printed hearings of the legislation, so I will not repeat what I said in June to emphasize the urgency of this matter.

What I would like to discuss this morning very briefly is the background of this legislation in order to give you the approach and perspective, which I think would yield in your understanding of this legislation almost an immediate consent and approval to its enactment.

There is no question that Hawaii suffered economic catastrophe during the 1971-72 dock strike.

We have a number of witnesses who have come all the way from Hawaii to make this point. Under the Taft-Hartley Act, you know, the President is authorized to seek a court injunction to keep the ships moving under the circumstances and the injunction is authorized under current law to last for 80 days.

In the 1971-72 strike President Nixon delayed for 100 days before he utilized this existing authority under Taft-Hartley. This was a radical departure from the consistent practice of all former Presidents under the act since its inception in 1949.

Former President Eisenhower delayed only 5 days in the 1953 shipping strike, 6 days only in the 1956 strike, 5 days in the 1959 strike. President Kennedy invoked an injunction after 10 days in 1961, 22 days in 1962 and 1 day in the 1962 strike. President Johnson invoked the act 1 day before the strike in 1964 and 1968.

I am including a summary of this data in more comprehensive form at the end of my testimony, which I ask be included in the record, Mr. Chairman [see p. 192].

Only President Nixon, you will note from the compilation which I prepared, waited for 100 days to end our suffering. This in my view demonstrated a weakness in the existing law, that the President could be given such wide discretion. We cannot afford to take the chance in another President doing the same in the future and I mean no ill regard to the current President. It is simply a reflection upon past history. Therefore, we must, I believe, place into the law the kind of provision which this pending bill, H.R. 7189, provides as protection for Hawaii, Guam, Samoa and the Trust Territory.

In recognition of the enormous damage which Hawaii suffered in the 1971-72 strike, you will recall that the House Committee on Education and Labor approved legislation to provide this kind of statutory relief. On February 7, 1972, the Special Subcommittee on Labor headed by the Honorable Frank Thompson, Jr., reported out House Joint Resolution 1056, which provided at my behest an exemption for Hawaii from that strike which was in effect at that time.

The measure was approved by the full Committee of Education and Labor on the following day of February 8, 1972.

The legislation approved by the Education and Labor Committee in 1972, of which I am a member, set the legislative precedent for finding that Hawaii's unique geographical situation justifies special consideration in the case of a west coast strike. So that we are not asking this committee to set a legislative first. This was already done in the resolution which was approved by the Education and Labor Committee in 1972. That legislation authorized the President to seek a court injunction of "such portion of a strike or lockout concerning shipments exclusively to and from Hawaii." from the west coast, for up to 60 days.

Unfortunately House Joint Resolution 1056 was not taken up in the House because the Rules Committee preempted it by discharging House Joint Resolution 1025, which dealt with settlement of the strike itself. The Rules Committee thought the issue of simply granting an exemption to Hawaii was not the central issue and the House, as you know, passed House Joint Resolution 1025 on February 9 and enacted

it into law. On February 10 the strike was settled, so the provisions of the legislative settlement which was included in that bill did not take effect.

If the Education and Labor Joint Resolution had become law, we would not be here today. We would have had by its enactment congressional recognition of the unique status of Hawaii justifying a special exemption which future Presidents would have to be guided by. Since the House did not pass this resolution, it is now imperative that this be legislated to provide an opportunity for Hawaii to have this kind of protection.

H.R. 7189 provides the basic kind of protection that I sought in legislation I had introduced earlier in February 1973. It provides 160 days of automatic exemption for Hawaii from a west coast shipping dispute.

Mr. DINGELL. 160 or 180?

Mr. MATSUNAGA. 160.

Mrs. MINK. 160 days, I believe. This would be at the behest of the Governor of our State. We would not have to wait for a finding by the White House. I think this is very important and the past illustrates how important this is. It is essential to note that H.R. 7189 does not make any change in the basic approach to labor-management disputes now on the statute books. It is precisely the same as in Taft-Hartley Act, which as you know provides a cooling-off period while the negotiations are proceeding.

The only difference that we are seeking is the application with respect to a third party, totally innocent, not involved in the dispute, whose commerce is almost 100 percent shut off as a result of a dispute and work stoppage on the west coast. H.R. 7189 simply provides that the Governor be allowed to seek this injunction in court and it would apply only to Hawaii and other third party territories innocent to the dispute itself. It does not affect in any way parties to the labor-management negotiation.

I believe that labor and all other interested parties would be amenable to legislation which would only provide an automatic Taft-Hartley-type injunction with regard to Hawaii in the case of the west coast. We have injunctive remedy provided by law already with respect to the entire strike. We are simply saying that we should not be required to wait for a complete injunction before the initiation of an injunction. With respect to third parties like Hawaii, the Governor should be given the authority to seek from the court an injunction to provide specific relief for Hawaii under those circumstances where the Taft-Hartley Act is invoked.

The Committee on Education and Labor having already recognized that Hawaii is in a unique situation and that this uniqueness justifies an exemption of this kind, I would hope that this committee likewise would recognize the seriousness of this concern. It is not a matter which we lightly put before this committee. We understand the seriousness of the measure that we propound, but by the same token we cannot understate the tragedy and the circumstances which face our constituents during those many, many long days in 1971 and 1972 which affected the economy of Hawaii. I sincerely believe that some of the effects still affect the prosperity of our community.

[The attachment referred to follows:]

A SUMMARY OF WORK STRIKES IN THE LONGSHORE INDUSTRIES IN WHICH THE TAFT-HARTLEY ACT WAS INVOKED 1953-1968 AS COMPILED BY U.S. DEPARTMENT OF LABOR FROM BUREAU OF LABOR STATISTICS BULLETIN No. 1633

ILA Strike October 1, 1953 (Atlantic Coast)

President Eisenhower invoked Taft-Hartley Act October 5.
80 day injunction ordered October 20.
Strike ended December 31.

ILA Strike November 16, 1956 (Atlantic and Gulf Coasts)

November 22, President Eisenhower invoked T-H Act.
November 30, 80 day injunction ordered.
February 2, 1957, workers voted on last offer.
February 7, workers rejected it.
February 12, strike resumed.
February 17, agreement reached.
February 23, workers return to jobs.

ILA Strike October 1, 1959 (Atlantic and Gulf Coasts)

October 6, President Eisenhower invoked T-H Act.
October 8, 80 day injunction ordered.
December 27, strike ended.

Maritimes Unions June 16, 1961 (Atlantic, Pacific and Gulf Coasts)

June 26, President Kennedy invoked T-H Act.
July 10, 80 day injunction ordered.
September 21, injunction expired; strike settled.

Maritimes Unions Strike March 16, 1962 (West Coast and Hawaii)

April 7, President Kennedy invoked T-H Act.
April 18, 80 day injunction ordered.
June 21, contract agreement reached.
July 2, injunction discharged.
July 16, unions ratify contract.

ILA Strike October 1, 1962 (Atlantic and Gulf Coasts)

October 1, President Kennedy invoked T-H Act.
October 4, temporary restraining order.
October 10, 80 day injunction.
December 3, board of inquiry gave 2nd report—negotiations stalled on manpower utilization.
December 14, workers vote on last offer.
December 19, workers reject it.
December 23, 80 day injunction expired; strike resumed.
January 16, board instructed to propose Congressional action if strike not settled by January 20.
January 20, board makes recommendations.
January 22, N.Y. shipping Assoc. accepts board's recommendations.
January 26-28, settlements reached; work resumes.

ILA Strike October 1, 1964 (Atlantic and Gulf Coasts)

September 30, President Johnson invoked T-H Act.
October 1, strike begins.
October 1, temporary restraining order.
October 10, 80 day injunction.
December 16, tentative agreement reached.
December 20, injunction expired.
December 21, majority of workers walk off jobs.
January 8, 1965, workers in N.Y. reject agreement.
January 11, All workers resume strike.
January 21-February 1, some ports accept, others reject; strike continues.
February 2, President Johnson asked to re-invoke T-H Act.
February 10, President Johnson appoints panel for recommendations for settlement.
February 11, 5 day restraining order issued.
February 13, work resumed in "contract-settled" ports.
March 13, all workers back on jobs.

ILA Strike October 1, 1968 (Atlantic and Gulf Coasts)

September 30, President Johnson invokes T-H Act.

October 1, strike begins; temporary restraining order.

October 3, work resumes.

October 16, 60 day injunction.

November 1, N.Y. Shipping Assoc. makes an offer.

November 6, rejected by workers.

December 5, workers in S. Atlantic ports begin voting on employer's last offer.

December 10, workers in N. Atlantic ports begin voting on last offer.

December 11, unions reject it.

December 16, oral agreement reached for N. Atlantic District.

December 17, agreement rejected by union bargaining committee.

December 20, injunction ends; strike resumes.

February 15, work resumed in N.Y.

April 12, last port agreement reached; all work resumed.

Mrs. MINK. In conclusion, I ask unanimous consent, Mr. Chairman and members of the subcommittee that I be allowed to read a very brief statement by Mr. Arthur A. Rutledge, president of our Teamsters local in Hawaii and president also of the AFL-CIO local of Hotel and Restaurant Workers Union, supporting this legislation. It was sent to me via telecopy. I had it reproduced and would like to read this testimony to the subcommittee this morning.

If you have no objection, I would like to read this at this time although it is perhaps out of order on your printed agenda. Shall I come back to it later?

Mr. DINGELL. Without objection we can insert it in the record at this point. I think it would be most helpful.

Mrs. MINK. I think this is a very important statement. Under normal circumstances I would be happy to just submit it for the record. However, I think that it emphasizes the point that we are not asking for any legislation which would prejudice labor and we do have a very important labor leader here who supports the bill.

Mr. DINGELL. Does that conclude your statement?

Mrs. MINK. If I might take just 1 minute to read Mr. Rutledge's statement, I think it is of such significance that it might give you a perspective and emphasize a point that we were making that this measure we are seeking has the support of labor leaders in Hawaii as well as the working people.

Mr. MATSUNAGA. Mr. Chairman, I join in the request. I have read the statement. It is a statement, I believe, that ought to be read at this point.

Mr. DINGELL. If you desire, we will certainly accommodate you, Mrs. Mink.

**STATEMENT OF ARTHUR A. RUTLEDGE, PRESIDENT AND BUSINESS
MANAGER, JOINT COUNCIL OF TEAMSTERS AND HOTEL WORKERS,
AS READ BY CONGRESSWOMAN PATSY T. MINK OF HAWAII**

Mrs. MINK. Yes. Mr. Rutledge says in his statement:

"H.R. 7189 is probably the most important piece of legislation for Hawaii since statehood. It is not, as much of organized labor on the mainland has been led to believe, antilabor or antistrike.

"If labor leaders on the mainland took the time to find out the facts, they would realize this. And they would also realize how important it is for the people of Hawaii that this legislation be passed.

"Unions should help each other, especially when bargaining fails and there is strike action. But a union should not be allowed to isolate a part of the United States and bring it to its knees.

"When there is a west coast dock strike, prices in Hawaii skyrocket. There is a run on essential items. A hint of a shortage can bring hoarding to our islands on a scale that mainland union leadership and politicians do not realize.

"West coast shipping strikes in 1971 and 1972 played havoc with our economy. Hawaii was without salt, flour, rice, and paper products for many weeks at a time. Prices of some items, especially perishable products, more than doubled.

"Honolulu already has the highest cost of living in the Nation, except for Anchorage, Alaska. It also has the highest percentage of working wives of any city in the Nation because of its high prices.

"The legislation before the House would help to keep Hawaii prices down. Prices are high partly because of freight charges—everything must come by sea or air. But more important, the threat of west coast strikes forces businessmen to keep ample inventories of goods, much more than their counterparts on the mainland.

"The extra high-cost warehouse space needed increases costs which are passed on to the public in the form of higher prices. Take away the effects or threat of a strike, and you take away the extra storage space needed. This means lower prices.

"If the required legislation is not passed, then the Federal Government, I believe, has an obligation during west coast shipping strike to subsidize the airfreight of goods to Hawaii to end the suffering of its people.

"Hawaii should at least be owed this consideration. When West Germany was cut off by a Soviet blockade during the cold-war days, the United States came to the rescue with a huge airlift. For us in Hawaii, a west coast dock strike is tantamount to a blockade, and we are entitled to at least the same support from our Government that it gave to a friendly nation in need. A friendly nation pays no taxes; we do.

"If the House doesn't pass this bill, we in Hawaii would like to know what you in Washington are going to do for us. West coast dock strikes hardly affect the people living on the west coast. They have alternative sources of supply. But such strikes profoundly affect the lives of the people of Hawaii.

"If the legislation is passed, it will have little effect on west coast labor's bargaining power and strike action. If anything, it would help strengthen labor's hand, for it would not have Hawaii's people against it when a strike occurred.

"H.R. 7189 provides for an injunction lasting up to 160 days that can be obtained 48 hours after a strike or lockout occurs. This injunction would affect less than 3.5 percent of west coast longshore labor and not more than 7 percent of shipboard labor, according to a report by First Hawaiian Bank: 'Hawaii: The Most Vulnerable State in the Nation.'

"Thus, a west coast longshore strike would remain 96.5-percent effective and a maritime strike 93-percent effective. But this 3.5 percent or 7 percent is the key to the survival of Hawaii's economy."

Thank you very much.

Mr. DINGELL. Thank you, Mrs. Mink. The Chair commends both you and Mr. Matsunaga for very fine presentations and for your help to this committee.

The Chair recognizes Mr. Kuykendall.

Mr. KUYKENDALL. If it is convenient for the two Members from Hawaii to remain here, I would like to wait until we hear from all of our witnesses and then question them all at once.

Mrs. MINK. I will be glad to remain.

Mr. DINGELL. I think that is an excellent suggestion if it meets the approval of our colleagues from Hawaii. The Chair would observe they have done an excellent job in assisting this committee in preparing for the hearings. It would be helpful to us if they would continue to assist us in the same outstanding fashion.

Then the Chair will observe we have here a communication from Senator Hiram L. Fong, relating to legislation H.R. 7189. Senator Fong indicates he is not able to be here because of a doctor's appointment.

Without objection, that statement will appear at this point in the record as though read.

[Senator Fong's statement follows:]

STATEMENT OF HON. HIRAM L. FONG, A U.S. SENATOR FROM THE STATE OF HAWAII

Senator FONG. Mr. Chairman and members of the subcommittee, thank you very much for scheduling today's hearing. We who represent areas directly affected by this legislation appreciate your providing time in these busy days before the October recess to hear our plea for protection against disruptions of our ocean transportation lifeline to and from the west coast.

My statement in support of H.R. 7189, the Hawaii and Western Islands Surface Commerce Protection Act, supplements my remarks at the subcommittee's June 5 hearing last year on this important legislation.

In today's statement I wish to reemphasize the urgent need for this bill, which would provide a 160-day exemption for Hawaii and the other Pacific Islands under U.S. jurisdiction—Guam, American Samoa, and the Trust Territory of the Pacific Islands—from the effects of longshore or maritime strikes or lockouts closing west coast ports.

I intend also to make clear the inadequacy of existing remedies, to draw the subcommittee's attention to an important recent development bearing on the continuity of Hawaii-west coast trade, to provide additional information regarding the impact of shipping tieups on Hawaii, and to rebut certain specific criticisms which have been made with regard to legislation of this nature.

I approach this problem as one who is firmly committed to the principle of collective bargaining. This is one of the cornerstones of our Nation's labor-management relations. The freedom of labor and of management to bargain across the table on wages, hours, working conditions, and fringe benefits is one of the hallmarks of America's private enterprise system and distinguishes our system from many other

nations where government controls and operates industry, both management and workers.

At the same time, I also have a deep commitment to the public interest, to the general welfare of our citizens. On those occasions when collective bargaining, mediation, conciliation, and other normal processes have failed to settle labor-management disputes, then in the public interest, for the public good, something must be done.

This is why I have worked hard to secure remedial legislation to give Hawaii and the other Pacific Islands under the American flag security in their oceanborne commerce with the west coast.

As you know, only 2 months ago, on July 17, the Senate debated and approved S. 1566, the Hawaii and U.S. Pacific Islands Surface Commerce Act, which I coauthored and cosponsored with my colleague from Hawaii, Senator Daniel K. Inouye, and which is substantially similar to the bill before your subcommittee, H.R. 7189.

As I told my colleagues during that debate, I can recall no other legislation in my 15 years in the Senate since Hawaii statehood whose enactment has been of greater importance to the people of my State. It is only through such legislation that the people of the island State of Hawaii can be safeguarded from the disastrous impact of stoppages in shipping operations on the west coast—stoppages which have disrupted our ocean lifeline for a total of 464 days in seven major strikes and for more than 1,000 days in scores of lesser strikes since World War II.

I am deeply gratified that the Senate responded to Hawaii's appeal by voting passage of S. 1566 by the decisive margin of 58 yeas to 39 nays.

CONTINUOUS OCEAN SHIPPING ESSENTIAL FOR HAWAII

To briefly recapitulate my earlier testimony, the geographical position of Hawaii, nearly 2,500 miles distant from the U.S. mainland, renders the island State extraordinarily dependent upon and vulnerable to interruptions of a single mode of transportation—ocean shipping—which moves nearly all of the imports and exports essential for our people and economy. To cut into or sever that ocean lifeline is to cut to the very heart of Hawaii's economic health and security.

Sea transportation normally carries 99 percent of all goods which travel between Hawaii and the U.S. mainland. Aircargo, which carries the remaining 1 percent, can expand in an emergency to carry at most only 3 percent of normal freight tonnage.

Approximately 80 percent of all physical commodities purchased by Hawaii's 881,000 people are imported, primarily from the U.S. mainland, and almost entirely shipped from the west coast. Recent figures indicate 79.5 percent of our oceanborne imports arrive from the west coast ports, 2.3 percent from the east coast, and 18.2 percent from foreign sources, excluding petroleum products.

Almost without exception, the goods and supplies essential to modern living in Hawaii are either imported or import dependent. To cite one example, our construction industry requires imports of lumber, nails, plumbing fixtures, roofing, and even the silica sand and gypsum rock needed to produce cement and concrete products.

Hawaii's energy resources are virtually nonexistent. We have no coal deposits, and every drop of oil necessary to produce electrical energy, to operate equipment, and run our motor vehicles must be imported.

It is fair to say that no industry or individual in my State, from the corporate giant to the newborn baby, is free of dependence upon imported goods.

Our exports are no less important. It is essential that Hawaii must be able, without fear of interruption, to export an average of 1,200,000 tons of raw sugar each year and our canned pineapple products—our two major exports—as well as our textiles and other locally produced or manufactured products.

Although other States enjoy alternative interstate transportation services, Hawaii, of course, cannot be linked to the mainland by trains or trucks or buses or automobiles. Hawaii has only ships and planes. When shipping stops, the result can be near paralysis in our economy. Indeed, in view of the predominantly import-export nature of our economy, the mere threat of a major maritime or longshore work stoppage on the west coast reverberates throughout my State.

A REALISTIC THREAT

Is it realistic to fear that our ocean lifeline may be cut? I must respond to such a question, unfortunately, with a resounding yes! Since World War II, strikes in the west coast longshore and maritime industries have come with devastating frequency and have cost Hawaii almost 4 years in lost shipping services, in the aggregate.

Since the close of World War II in 1945, there have been eight major shipping strikes, only one of them centered in Hawaii, totaling 641 days. These were as follows:

1. The 53-day west coast Marine Engineers, Masters, Mates and Pilots, and International Longshoremen's and Warehousemen's Union (ILWU) strike of 1946.

2. The 96-day west coast strike by the ILWU and four offshore unions in 1948.

3. The 177-day Hawaii ILWU strike of 1949.

4. The 66-day v

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5. The 27-day

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service to my State effective last April 9. Matson Lines, already by far the largest carrier with 70 percent of the Hawaii trade, has taken over most of the 25 percent formerly handled by Seatrain, leaving the third carrier, U.S. Lines, with about the 5 percent it now handles.

The significance of Seatrain's withdrawal becomes apparent when it is realized that, whereas Seatrain and U.S. Lines have their collective bargaining agreements made on the east coast with all ship-board personnel, Matson licensed and unlicensed ratings are subject to west coast collective bargaining agreements. With Seatrain's withdrawal, virtually all trade between my State and the west coast will be cut off during strikes or lockouts over west coast offshore union contracts.

During the 41-day Masters, Mates and Pilots strike of late 1972, when Matson alone was struck, a small but helpful percentage of shipping continued between the west coast and Hawaii on Seatrain and U.S. Lines. Today, a maritime stoppage on the west coast, which formerly cut off 70 percent of the shipping with Hawaii, now will cut off more than 90 percent, Matson's new share of the west coast and Hawaii trade.

THE DEVASTATING IMPACT OF SHIPPING STOPPAGES

When west coast shipping is suspended, Hawaii's 881,000 people suffer from shortages of necessities of life and business, from higher prices, rising unemployment and reduced working hours, small business failures, a sharp drop in construction activity, a loss of investor confidence in the growth and viability of our economy, and, not least, an inability to ship our two major exports, sugar and pineapple, to mainland markets.

It will be a long, long time before the people of my State forget the uncertainty and acute distress which came in such abundance between July 1, 1971, and December 31, 1972. During that 18-month period, a series of three west coast longshore and maritime strikes cut Hawaii's sea transportation service with the west coast for a total of 176 days—6 months out of 18, or 1 day out of 3.

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Even with phase 1 of the wage-price freeze in effect beginning in mid-August, Honolulu food prices jumped 4.5 percent between June and October 1971. By contrast, U.S. food prices declined 0.3 percent during the same period. By February 1972—after 115 cumulative days of the west coast longshore strike and despite relief through an 80-day Taft-Hartley injunction and two voluntary extensions—a head of lettuce cost 72 cents, a dozen oranges \$1.45, and 10 pounds of potatoes \$2.28 on the average.

Local retailers, responding to a survey on the impact of the west coast longshore strike, reported sales declines ranging up to 17 percent.

Construction-generated earnings declined 7.8 percent in 1971 and rose a mere 2.4 percent in 1972.

The annual increase in State tax collections fell from 12 percent in 1970 to 7.5 percent in 1971 and 7.9 percent in 1972.

Personal income growth fell from 14.1 percent in 1970, nearly twice the national average, to 6.4 percent in 1971.

Hawaii's per capita personal income soared 11.3 percent in 1970, which compared very favorably with the national gain of 6.3 percent. In 1972, however, it increased only 4.1 percent. Only seven States had lower per capita personal income growth rates than Hawaii that year, and the national gain was 5.6 percent. In 1972, still plagued by shipping problems and their resultant impact on business activity, per capita personal income in Hawaii increased only 5.9 percent, compared with the national growth rate of 7.9 percent. Only three States had a smaller per capita personal income growth rate than Hawaii in 1972.

In 1970 Hawaii's personal income was the sixth highest in the Nation—exceeded by only four States and the District of Columbia. The blows to the economy which came during the strike years lowered Hawaii's ranking to ninth in 1971, where it remained in 1972.

A major cost of the ever-present strike threat in Hawaii is the fact that it compels our businessmen to keep very large inventories on hand at all times. This stockpiling, which greatly increases the cost of doing business, is passed on to the consumer and contributes significantly to the high cost of living in Hawaii.

Shipping tieups also have serious long-range repercussions on the State of Hawaii. The principal impact is to make it more difficult to attract investment capital. For the last 20 years or more, the economic growth of Hawaii has been financed in large part by capital attracted from outside the State. This is true because local funds are inadequate, because savings of Hawaii residents are often funneled into mainland opportunities, and because out-of-State owners of Hawaiian enterprises return profits to home offices located on the mainland or in a foreign country.

Personal savings and business profits, therefore, tend to flow out of Hawaii, and the economic development of my State depends upon local ability to attract outside investment funds. Shipping interruptions can so shake investor confidence that the capacity to attract such funds is dealt a severe setback.

Finally, and very importantly, shipping strikes imperil or destroy markets for Hawaii's export industries, which are principally sugar and pineapple. The primary market for Hawaii sugar, for instance, is in the Western States, where sugar is already in surplus supply. In the past, shipping interruptions have caused Hawaii sugar producers to

lose important industrial customers, who have turned elsewhere for their supplies.

THE INADEQUACY OF EXISTING REMEDIES

Existing remedies for Hawaii in the event of west coast shipping tieups are inadequate. For example, the Taft-Hartley Labor-Management Relations Act has been employed 12 times in national emergency disputes in the longshore and maritime industries since its enactment in 1947. The results have been dismal. Only one of the nine longshore and two of the three maritime disputes were settled during the 80-day cooling-off period provided by the act once an injunction was obtained in court.

Considering the west coast alone, Taft-Hartley has been invoked only four times in shipping disputes and only twice did it lead to settlement there.

Because an emergency must be national in scope to qualify for a Taft-Hartley injunction, the act was not employed in the 1971-72 west coast longshore strike until after 100 days had elapsed, until after extensive economic injury had spread as far as the Middle West farm belt, and until after a strike by the International Longshoremen's Association on the east and gulf coasts had closed down those other mainland ocean ports. When it finally was used, Taft-Hartley proved a towering failure. Although the injunction period was twice voluntarily extended by consent of the parties, the west coast longshore strike ultimately resumed for 34 more days.

In another instance, the 41-day west coast Masters, Mates and Pilots strike of late 1972, Taft-Hartley again could not be used because the stoppage was not deemed a national emergency.

I would like to assure the members of the subcommittee, on behalf of the people of Hawaii, that it can be just as painful to be caught in a "regional" emergency as a "national" one.

PROMISES OF CONGRESSIONAL ACTION ARE INADEQUATE

Despite Hawaii's near-total dependence on maritime shipping and despite the all-too-frequent shipping disruptions, any relief from Congress is available only on an ad hoc basis.

The people of Hawaii and their representatives in the Senate and House have learned that an ad hoc congressional response to a strike emergency affecting their State can be very slow and requires an extraordinary combination of circumstances.

As you will recall from my previous testimony before this subcommittee, we of Hawaii have tried on many occasions and through many means to resolve our dilemma on a permanent basis, but not until this year has it been possible to pass remedial legislation in either the Senate or House.

As a matter of fact, the enactment of legislation requiring compulsory arbitration of the 1971-72 west coast longshore strike, which virtually compelled a voluntary settlement by the parties themselves, furnishes recent evidence of Congress' lack of readiness to deal with critical stoppages. Congressional action came (1) only after the dock-

workers had been out on strike for over 120 days—more than 4 months; (2) only after an 80-day Taft-Hartley injunction and two voluntary extensions thereof had failed to bring settlement; (3) only after virtually every port in the Nation was shut down, since the east and gulf coasts were also struck; and (4) only after the people and economy of Hawaii had suffered grievously.

It is no wonder the people of my State take small comfort in promises of ad hoc congressional action, no matter how well-intentioned. We have seen time and again that Congress is very reluctant to act promptly in west coast labor-management disputes. Hawaii needs more reliable remedies, such as S. 1566 and H.R. 7189 would afford

H.R. 7189: THE SOLUTION TO HAWAII'S DILEMMA

H.R. 7189, the Hawaii and Western Islands Surface Commerce Protection Act, provides that no west coast maritime or longshore strike or lockout shall be permitted to interrupt normal shipping between the west coast of the United States and Hawaii or the other islands in the Pacific under the American flag—Guam, American Samoa and the Trust Territory of the Pacific Islands—for a period of 160 days beginning on the first day of such strike or lockout.

An injunction to secure an exemption may be petitioned for in any Federal district court having jurisdiction by the Governor of Hawaii, Guam or American Samoa, the High Commissioner of the Trust Territory of the Pacific Islands, or by any employer or labor organization which is a party to the strike or lockout.

An exemption injunction may not be requested if a Taft-Hartley injunction is in effect. If a Taft-Hartley injunction is obtained, the running of the exemption injunction shall be suspended until the Taft-Hartley injunction is discharged.

Employees working during the exemption period will be subject to the wages, hours, and working conditions provided by their last contract, but will be paid retroactively for the exemption injunction period any additional wages won under the agreement resolving the dispute.

For purposes of the act, an interruption of shipping services is defined as (1) a refusal at a west coast port to load or unload cargo or to permit the loading or unloading of cargo destined for or shipped from Hawaii or any U.S. Pacific Island or (2) a refusal to operate or permit the operation of a ship with cargo destined for or originating from Hawaii or any U.S. Pacific Island if any such refusal was a cause of a ship leaving the dock facility more than 48 hours late or not being unloaded more than 48 hours after arrival.

CRITICISMS OF SHIPPING TIEUP EXEMPTION LEGISLATION REFUTED

The report of the Senate Labor and Public Welfare Committee on S. 1566 (Senate Report 93-941) contained a number of criticisms of that measure which were rebutted during floor debate. Inasmuch as the same objections may be raised by opponents of H.R. 7189, the House counterpart of S. 1566, I believe it would serve a useful purpose to provide the subcommittee with a rebuttal at this time.

H.R. 7189 may be criticized, as was S. 1566, for allowing an employer or a labor organization to apply for an injunction continuing the normal flow of commerce with the Pacific Islands, thus creating a "private weapon" for the parties to the dispute.

I would recommend that this subcommittee adopt an amendment deleting this authority, as did the Senate on motion of the sponsors of S. 1566 during floor debate. Such amendment would allow only the Governors of Hawaii, Guam, or American Samoa, or the High Commissioner of the Trust Territory of the Pacific Islands, to seek an injunction applying the act.

Objection has also been made that the broad sweep of the bill's language would permit the act to be invoked if a single ship is delayed by as much as 48 hours, which is contrasted unfavorably with the "national emergency" requirement of Taft-Hartley and the "essential" transportation services standard found in the Railway Labor Act.

It is my belief that the Governor or chief executive of Hawaii or of the other U.S. Pacific Islands would make a responsible distinction between a minor tieup and a major shutdown of ocean commerce sufficient to imperil the people and economy of his State or territory. However, the subcommittee may wish to consider an amendment raising the threshold.

Critics also suggest that it could be very disruptive to enact Federal legislation which could affect the interests and bargaining positions of both labor and management.

A recent study indicated that the exemption for Hawaii provided by S. 1566 would involve only 3½ percent of the man-hours normally worked by west coast longshoremen and only 7.3 percent of the total man-days worked by shipboard labor with west coast contracts. It is clear that this would have only a negligible effect on collective bargaining negotiations and on the ability of labor and management to apply pressure on each other. Indeed, providing an exemption for the Pacific Islands would probably reduce the likelihood of much more massive Federal intervention under Taft-Hartley.

During the 1971-72 west coast longshore strike, the dockworkers union and the employers' bargaining group voluntarily agreed to move—and did move—military cargo approximately equal to the combination of the military and the Pacific Islands cargo which would be handled today under H.R. 7189.

According to Military Sealift Command records, 6,217,815 revenue tons of military cargo, other than bulk, moved through U.S. Pacific Coast ports in 1971. By 1973, the volume of such military cargo had declined to 3,662,930 revenue tons. The estimated total of commercial cargo, other than bulk commodities, moving between the Pacific Coast and the U.S. Pacific Islands covered by H.R. 7189 was 3,590,300 revenue tons in 1973. Therefore, the combined effect of the military cargo exemption and the exemptions contemplated by H.R. 7189 is presently around 7,250,000 revenue tons on an annual basis—not significantly more than was exempted by voluntary and common consent during the 1971-72 longshore strike.

It has been asserted that the 4 months following the commencement of the west coast dock strike on July 1, 1971, there was a 32-percent increase in waterborne shipments arriving in Hawaii from foreign

ports over the same months in the previous year. Figures available from the Department of Commerce demonstrate that that increase was only 11 percent when petroleum products are excluded.

The more significant fact is that Hawaii's total imports by sea from all sources during the third quarter of 1971, excluding petroleum products, totaled only 191,415 tons, a decline of 67.4 percent from the 587,400 tons which normally would have been imported were the strike not in effect.

Critics of S. 1566, the Senate bill, made considerable use of the testimony of Dr. Shelley Mark, director of the Hawaii Department of Planning and Economic Development, which was prepared in January 1972, part way through the 1971-72 west coast longshore strike. Dr. Mark indicated that in his view key shortages do not appear in Hawaii until well into the third month of a strike, making remedial action unnecessary until that time unless there is a complete shutdown of all U.S. mainland ports.

One of the reasons shortages may not be immediately evident is that Hawaii's vulnerability to shipping stoppages forces our businessmen to carry huge inventories. Of course, this sharply increases the cost of doing business in Hawaii, as I indicated earlier, and drives up consumer prices.

Further, Dr. Mark's assessment was made while Seatrain was still serving Hawaii under east coast maritime labor-management agreements, a service no longer available to Hawaii since Seatrain terminated service to the Island State last April.

It has also been suggested that H.R. 7189 is at odds with current policies of the executive branch and with an emerging pattern of industrial harmony.

I certainly endorse, as does the report of the President's National Commission for Industrial Peace, published last May, the efforts of labor and management to find new procedures and set up new mechanisms to settle their disputes without resort to strikes or lockouts. I share the hope that this will lead to an atmosphere of more harmonious collective bargaining. I do not believe, however, that the minimal impact of H.R. 7189 on the hours worked by west coast longshoremen and maritime labor will interfere with these efforts to improve labor-management relations.

It has been charged that H.R. 7189 does not provide an even-handed approach to dealing with bona fide emergencies since it would cover west coast stoppages but not disputes in Hawaii or the Pacific Islands.

To this I would respond that Hawaii stoppages are not covered because (1) there has been only one extended dispute affecting shipping commerce with Hawaii since World War II which was Hawaii-centered; (2) Hawaii disputes are amenable to public pressure from the fellow-citizens of those engaged in the dispute; and (3) disputes in Hawaii are subject to State action under the Hawaii Dock Seizure Act, which authorizes the Governor to seize and operate the docks in an emergency.

The people of Hawaii do indeed believe that they are able to—and rightfully should—cope with shipping tieups within their own State. They feel it is equally true, however, that remedial legislation is needed which will protect them from disputes which are far beyond their

borders, out of reach of Hawaii State law and Hawaii public opinion.

A final possible criticism is that affirmative action on H.R. 7189 could precipitate demands for legislation of broader application. The slippery slope argument is familiar to all of us, but equally familiar is the understanding that extraordinary circumstances require an extraordinary response. In my view, this is such an occasion.

H.R. 7189 IS BOTH ESSENTIAL AND APPROPRIATE LEGISLATION

H.R. 7189 is an effective and timely response to a longstanding problem of great seriousness and vital importance for the people of Hawaii. It will provide an essential measure of protection for nearly a million American citizens who, because of unalterable geographical circumstances, are uniquely dependent upon one mode of transportation and therefore uniquely vulnerable to disruptions of that service.

I have documented the impact of shipping tieups on Hawaii—the lost jobs, rising prices, depleted savings, economic disruption and blighted hopes. Recent history conclusively shows that the possibility of such stoppages on the west coast is regularly transformed into a reality.

There is no doubt of the inadequacy of Taft-Hartley to safeguard Hawaii, both because of its spectacular lack of success in resolving shipping disputes and because of its national emergency requirement, which a regional dispute cannot satisfy until very late in the day, if at all.

Congress has rarely responded to Hawaii's plight when our ocean lifeline has been severed. When Congress has responded, that response has been tardy and has been dependent upon a remarkable constellation of supportive events, as was made clear during the 1971-72 west coast longshore dispute.

My colleagues and I from Hawaii have been searching for some time for a remedy which will effectively protect Hawaii, against circumstances beyond her control or sphere of influence, which will be acceptable to the Congress, and which will not tip the scales against either labor or management. In H.R. 7189 and S. 1566, we feel we have found that remedy. Since both organized labor and the employers bargaining group involved in west coast shipping contracts oppose these bills on the grounds they favor the other side, it appears that this legislation is, in truth, even-handed. The action of the Senate in passing S. 1566 by a solid majority indicates broad agreement that this is so.

I do not anticipate that H.R. 7189 would be used other than with great caution in a limited number of instances, and it would have, as I have indicated, a very limited impact on the collective bargaining process.

Affirmatively, however, this bill would do what is essential to alleviate hardship in Hawaii and the other U.S. Pacific Islands when labor-management disputes on the west coast cut our ocean lifeline.

The people of Hawaii are watching the deliberations of this subcommittee.

They remember the many, many strikes of years gone by and their impact on themselves and their enterprises.

They remember the inadequacy and tardiness of Taft-Hartley and previous congressional response to our plight.

They remember the long history of the determined effort by their entire congressional delegation to secure a legislative remedy.

The overwhelming majority of the people of Hawaii strongly support action to safeguard them from the impact of future maritime and longshore disputes on the west coast—the thousands of messages which have come from people in all walks of life throughout my State attest to that.

On behalf of the people of Hawaii, therefore, I ask that this subcommittee and the full Committee on Interstate and Foreign Commerce act promptly and favorably on H.R. 7189. To do so will be to take the right action at the right time—before, not after, another emergency strikes.

Mr. DINGELL. The Chair recognizes Mr. Metcalfe.

Mr. METCALFE. May I also ask unanimous consent to insert in the record at this point a letter from the Honorable Antonio Won Pat of Guam, who has asked that this be inserted.

Mr. DINGELL. That letter will appear in the record at this point.
[Hon. Won Pat's letter follows:]

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 26, 1974.

HON. HARLEY O. STAGGERS,

Chairman, Interstate and Foreign Commerce Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On June 5, 1973, I was privileged to testify before the Subcommittee on Transportation and Aeronautics on behalf of H.R. 7189, the Hawaii and Western Islands Surface Commerce Protection Act of 1973. As a co-sponsor of this measure, I wish to again address the need for this legislation to become law.

Since the time I testified, the United States territory of Guam has undergone several hardships which relate to the measure at hand.

As you know, H.R. 7189 has but one goal: to keep the shipping ties between Guam, Hawaii and other American points in the Pacific open during the often long and difficult West Coast dock strikes. During the last major strike in 1971, President Nixon waited more than 100 days before invoking the Taft-Hartley Act. Thus, we in the Pacific, who rely on the mainland for 90 percent of our foodstuffs and other vital supplies, were virtually cut off from our major resources. As has been repeatedly stated before the Subcommittee in prior hearings, no other American area must face this constant threat to its ability to survive. I doubt whether the citizens of Akron, Los Angeles, New York, or Atlanta would suffer such a fate any better than do their counterparts in Honolulu or Guam.

Today the need for this legislation is greater than ever before. Since June, 1973, the cost-of-living for all of us has skyrocketed. Food and other items of daily living are taking a larger portion of our paychecks with each passing week. For your fellow Americans in the offshore areas the problem is even more acute. The majority of our supplies are shipped in and the cost of shipping has kept pace with the increase in other items.

Adding to the complexity of the problem is the spiraling cost of oil, which forces shipping costs ever upward and in turn forces the people of Guam to once again face the prospect of even higher prices for anything imported to our Island.

Where this vicious cycle will end, I have no idea. We have attempted to alleviate the problem by turning our attention to improving local agricultural efforts. This is a long-range program at best, however, and is in no way certain to produce sufficient results to insure Guam's self-sufficiency in food production.

To make matters worse, Guam recently suffered a cutback in shipping service from the West Coast when Pacific Far East Lines announced its intention to

cease servicing the Island. I sincerely regret PFEI's decision, all the more since it was in direct violation of a promise made earlier this year to the House Merchant Marine Committee. There appears little we can do about the cessation of service, however, except to hope that the slack will be picked up by other American flag carriers.

I am becoming increasingly concerned that the ties which bind American flag carriers, their crews, and their unions to the shipping trade to American areas in the Pacific may not be as firm as we would wish. I cannot state strongly enough the gravity of the situation should other American carriers wish to cease carrying cargo to our ports.

For this reason, I urge the Subcommittee's acceptance of H.R. 7189. The passage of this measure into law will guarantee not only that our precious cargo will continue to flow from the West Coast, but also will protect future American shipping interest in the Guam trade.

We in Guam want to continue our trade with our fellow Americans. Yet, when leading labor leaders tell us to get our food in Asia, as they did during the 1971 Strike, we are left with little choice but to vastly lower our already marginal standard of living and force ourselves to seek other markets.

I do not believe that this action would be in the best interests of either my constituents or of those who oppose H.R. 7189. We do not seek special rights; we simply ask for compassion and understanding of our undeniable vulnerability to West Coast labor disputes.

It is requested that this letter be made part of your Committee record.

Sincerely yours,

ANTONIO B. WON PAT,
Member of Congress.

Mr. DINGELL. I suspect Mr. Matsunaga and Mrs. Mink would like to arrange the calling of the witnesses and we will permit you to call the witnesses in such order as you deem appropriate.

Mr. MATSUNAGA. Thank you very much, Mr. Chairman.

Our next witness, representing Acting Governor George Ariyoshi, is chairman of the Board of Agriculture of the State of Hawaii. During the 1971-72 west coast dock strike he was chairman of the Governor's Emergency Food Committee.

I am privileged and honored to present Mr. Fred Erskine.

Mr. DINGELL. Mr. Erskine, we are pleased to have you with us to present the statement of the Honorable George Ariyoshi, the Acting Governor of Hawaii. If you will identify yourself for the record, we will be pleased to receive your statement.

STATEMENT OF FRED ERSKINE, CHAIRMAN, BOARD OF AGRICULTURE, STATE OF HAWAII, REPRESENTING THE HONORABLE GEORGE ARIYOSHI, ACTING GOVERNOR OF HAWAII

Mr. ERSKINE. My name is Fred Erskine. I am representing Acting Governor George Ariyoshi. I am chairman of the Board of Agriculture of the State of Hawaii.

H.R. 7189 dealing with uninterrupted shipping is now being considered for passage by the House of Representatives. By this testimony I should like to ask for your support and cooperation in favor of this bill.

Hawaii has too frequently been a innocent third-party victim of disruptions in maritime interstate commerce. During the past 3 years Hawaii has suffered through 176 days of interruptions in shipping service. This is akin to having the city of Washington totally barricaded for 176 days.

On July 1, 1971, the west coast ILWU longshoremen struck, and were out 100 days before a Taft-Hartley injunction returned them to

work. On January 17, 1972, the strike was resumed after expiration of the 80-day cooling-off period and after failure to reach a new contract. This walkout continued for 34 days. On October 8, 1972, a Hawaiian ILWU unit of maintenance, container freight and security workers struck after failing to get a new contract and were out 59 hours. On October 25, 1972, the Masters, Mates and Pilots Union struck the Pacific Maritime Association. This strike lasted 41 days. And on December 5, 1972, the same union halted operations of Seatrain Lines California in Oakland and ordered picketing of the company's ships in Hawaii.

The possibility of further strikes is also very imminent. On July 1, 1975, there will be another contract reopening on both the west coast and Hawaii docks and current signs give no indication that Hawaii will not experience another shipping interruption.

With the exception of the two-day local dispute these interruptions were entirely outside of Hawaii's jurisdiction. Shipping to Hawaii was curtailed by longshore and maritime disputes on the mainland. Needless to say, such interruptions have had an adverse effect on our total economy. It is ironic that such interruptions do not affect the mainland States as much as they do Hawaii, which depends so heavily on ocean shipping for our people's basic needs. This is not to overlook the economic effects on the export businesses on the mainland, including the inland farmers who need to have their products moved to overseas consumers to continue viable operations. The important point is that basic mainland supplies to Hawaii are put off whenever a maritime dispute occurs on the west coast.

The effects and impact of these strikes, besides causing specific hardships to both labor and management, have extended to third parties including the entire population and business community of the State and have included among other factors—higher consumer prices, lack of supplies, uncertain markets, unemployment, business failures and loss of output. During the 1971 strike Hawaii's economy suffered a \$153.6 million loss of output and a 2.36-percent increase in prices.

In examining the impact of 1971's strikes, we find that the economy weathered the interruptions only because it was in good shape when the strike began. The strike did result in increased unemployment and prices. It did produce slowdowns in industries where there were shortages of key supplies or it was not possible to import or export by air. Many small businesses that did not or could not air cargo were particularly hard hit.

In the case of sugar, pineapple, and diversified agriculture, the opportunity to switch from surface-to-air cargo was unavailable because of the cost factors involved. Firms in both industries had difficulty in getting their products to the mainland. The volume of raw sugar produced was greater than that of the previous year. Unfortunately, the dock strike prevented most of the raw sugar produced after July from reaching the Crockett refinery with the result that it had to be shut down for a time during the strike.

The pineapple industry was also adversely affected. The dock strike came during the peak canning season and the industry was unable to ship its products to the mainland markets until October. Thus, most of the production for the year had to be stored in Hawaii for a couple of months, at additional cost of pineapple firms.

Consumers had to pay higher prices for food during June, July, and August of 1971 than the same months during 1970. However, part of the increase in the Consumer Price Index for food may be traced to inflationary factors and to severe droughts on the mainland and in Maui. The national wage-price freeze, which was in effect during the strike, also helped keep prices down. Only in the case of raw agricultural produce were merchants allowed to raise prices.

Hawaii's food and feed requirements, which are virtually dependent on U.S. mainland suppliers for food and animal feed needs were also affected. Hawaii produces less than one-half of her meat, poultry, pork, and fruit and vegetable requirements, and virtually no animal feeds. Rice, a major staple item in Hawaii, and all canned meats and canned and frozen fruits and vegetables must be imported into the State.

Under normal circumstances Hawaii's food and feed suppliers maintain average inventories of 4 to 6 weeks' supply. In situations where a transportation disruption is expected, suppliers attempt to build up a 3 months' inventory.

Transportation disruptions or even fear of a disruption causes hoarding of major food and feed items. This situation creates a serious imbalance in food and feed distribution with a resulting rapid decline in available supplies during the early days of a transportation disruption.

The possibility of strikes occurring also raises the cost of doing business in Hawaii. Businesses need to keep large inventories as well as discount expected profit rates of return on investments to make allowances for shipping interruptions. These result in higher costs which inevitably are passed on to consumers and contribute to this State's exceptionally high cost of living.

H.R. 7189, if it does not tread on the principle of free collective bargaining or violate existing and effective concepts embodied in Federal laws relating to maritime commerce, can insure the maintenance of normal supply lines to Hawaii while providing additional time necessary for the settlement of any future disputes.

We respectfully urge your committee's favorable consideration of H.R. 7189, bearing in mind the importance of preserving our State's economic integrity and security as a requirement for the continued progress and security of our entire Union.

I thank you for the opportunity to make this statement.

Mr. DINGELL. I think you have done a very excellent job of making the presentation here.

You have given us a most able and carefully presented statement. The Chair certainly commends you. I want you to convey to Acting Governor Ariyoshi our appreciation for your presence. Again the committee wants you to know the high regard we have for Mr. Matsunaga, who is one of the most outstanding and able Representatives in the Congress, and Mrs. Mink who in the view of all of us is without peer in this body.

I want you to know their interest in this bill is the reason that we are holding the hearing today.

It may be as matters proceed we will have additional questions. We hope you will remain so that if we do, we can direct them to you.

Mr. Matsunaga.

Mr. MATSUNAGA. Our next witness, Mr. Chairman, is the publisher of the Pacific Business News and chairman of the Chamber of Commerce of Hawaii Ad Hoc Committee on Uninterrupted Shipping. He was founder of a citizens' organization known as STOP (Shipping Tieups Over Permanently). I am privileged to present George Mason.

Mr. DINGELL. Mr. Mason, we are certainly pleased to welcome you. If you will identify yourself fully for the record to assist our reporter, you may proceed.

STATEMENT OF GEORGE MASON, CHAIRMAN, AD HOC COMMITTEE ON UNINTERRUPTED SHIPPING, CHAMBER OF COMMERCE OF HAWAII AND CHAIRMAN, STOP (SHIPPING TIEUPS OVER PERMANENTLY)

Mr. MASON. Mr. Chairman, I am George Mason. I am here in the capacity of chairman of the Ad Hoc Committee on Uninterrupted Shipping, Chamber of Commerce of Hawaii, and chairman of STOP (Shipping Tieups Over Permanently). I am president of Crossroads Press, Inc., publishers of Pacific Business News and other publications.

Mr. Chairman, I am a small businessman and am here primarily to represent the 13,000 small businesses in Hawaii (those with fewer than 100 employees)—almost every one of whom feels helpless in the face of frequent confrontations between employers and labor unions 2,500 miles from their place of business.

To illustrate how relatively helpless the vast majority of businesses in Hawaii are, I submit the following data compiled by the Bureau of the Census in March 1972 for the State of Hawaii:

| Number of employees | Number of employer firms | Percent of total |
|----------------------|--------------------------|------------------|
| 1 to 3..... | 5,332 | 41.14 |
| 4 to 7..... | 2,778 | 21.43 |
| 8 to 19..... | 2,725 | 21.02 |
| 20 to 49..... | 1,344 | 10.37 |
| 50 to 99..... | 434 | 3.34 |
| 100 to 249..... | 245 | 1.89 |
| 250 to 499..... | 69 | .53 |
| 500 or more..... | 32 | .24 |
| Total (222,207)..... | 12,959 | 100.00 |

Note: 100 or more employees—346 firms (2.7 percent); 20 to 99 employees—1,778 firms (13.7 percent); 1 to 19 employees—10,835 firms (83.6 percent); 1 to 7 employees—8,110 firms (62.5 percent).

You will note, Mr. Chairman, that 62.5 percent of all employers in Hawaii have from 1 to 7 employees and that only 346 (or 2.7 percent) of all employers have 100 or more workers.

About one-third of all employers are in retailing. Many are marginal and unable to withstand serious dislocations such as those that occur when shipping interruptions are threatened or underway.

Other than the immediate effects of imminent or actual shipping tieups, there is an ever-present economic dislocation—one not easily apparent on the surface. I am referring to the constant state of preparation for unexpected shipping interruptions that businesses of every size are compelled to maintain.

To illustrate the extent of this impact, I submit for the record a copy of a study conducted in early September 1974, by the Bank of Hawaii Business Research Department [see p. 214]. An examination of the replies submitted by a variety of businesses dealing in consumer and industrial commodities revealed that the average inventory carried year-round was 103 days. Asked what inventory they would carry if assured that a west coast shipping interruption would last no longer than 10 days, the average of the replies of the respondents to this question was 68 days—or a saving of 35 days because of such an assurance.

Further, 70 percent of the respondents said they are affected year-round because of a lack of such assurance; 19 percent said they take the risk of building inventory only when the possibility of a shipping interruption looms; and only 11 percent said they are not affected by shipping interruption threats.

The 70 percent who said they are affected on a year-round basis reported that their average inventory valuation was over \$2,615,000 and that a guarantee that shipping from the west coast would not be interrupted for more than 10 days would enable them to reduce inventory valuation to an average of about \$1.8 million—or a reduction of 31 percent.

Considering the high warehousing and financing costs in Hawaii, a 31-percent reduction in valuation and a 34-percent reduction in inventory days, if extended across the entire commodity spectrum, would mean a savings of tens, if not hundreds of millions of dollars annually to Hawaii's consumers.

Permit me to cite another study, one made by the C. W. Shafer Distributing Co., an appliance and television wholesaler in Honolulu, with a copy of the complete material presented on September 14, 1974, submitted for the record.

The 40 cents per square foot per month for warehouse space in Honolulu compares with 6 cents per square foot per month in San Diego. Warehouse space can be found in Honolulu at less than 40 cents per square foot, but anything below 30 cents is virtually impossible to find. The Shafer survey indicates that the same kind of operation in San Diego has an inventory investment of \$100,000 as compared to an inventory investment of \$300,000 in Honolulu. The survey also states that an appliance distributor's expenses in Honolulu average 15 percent more than for distributors on the mainland. An example cited is a color television set selling for \$500 on the mainland which has to be priced at \$575 in Honolulu.

Mr. Shafer reported to me that the passage of H.R. 7189 would enable his company to reduce its standard 90-day inventory to 60 days and his inventory investment from \$300,000 to about \$200,000. Further, his interest expense would drop from \$39,000 to \$26,000 or less and warehousing costs could decline from \$4,800 per month to \$3,200 per month. The savings on warehousing and interest costs alone would reduce his cost of doing business in the range of \$32,000 to \$35,000 per year—or almost 3 percent of his annual sales figure of \$1.2 million.

I conducted a poll of five major printers in Honolulu (August 1974) and learned that their average paper inventory is 5 months. I assure this committee that no printers on the mainland would consider ware-

housing a 5-month supply of paper on a year-round basis. As a publisher of a weekly newspaper, I can attest to the fact that our printer makes every effort to maintain a 7 month's supply of our particular grade of newsprint and that we begin to push the panic button when delayed mill runs or shipping delays force us down to a 4-month inventory. At one point during the several strikes in 1971 and 1972 we were down to a 3-week inventory and faced with having to suspend publication.

I personally conducted another survey in mid-September 1974 of the three largest automobile dealers in Honolulu. On the average these dealers maintain about a 60-day inventory of cars and trucks, approximately double what their counterparts in California carry. When contracts are being renegotiated on the west coast, these dealers immediately move to go to a 90-day or higher inventory. One auto and truck dealer who maintains a steady inventory of 500 units makes it a practice to build his inventory to 1,000 units when the possibility of a strike looms. The cost of financing and storing such a huge inventory of high-priced merchandise is staggering. It costs \$15 a month to hold an automobile in open field storage and at least \$35 a month to finance that unsold vehicle. There is also an added insurance factor and an added cost of preparation because of extended exposure to weathering. These costs are passed on to the consumer, and, depending on the type of vehicle, means an increased purchase price of from \$60 to \$100 because of extended inventory resulting from threatened shipping interruptions.

Mr. Chairman, permit me to generalize from the standpoint of most small enterprises in Hawaii. They have had to adapt to the uncertainties of our isolated situation where there is no reasonable alternative to surface ocean shipping. The consumer fresh from the mainland is rather startled to be in a modern urban situation and to find so much merchandise to which he has become accustomed not available in Honolulu; and, further, to be almost constantly confronted by the response: "Sorry, we're out of that item now—come back in 2 or 3 weeks." Even after 27 years in Hawaii I find this situation less than comforting. But the merchandisers in Hawaii are not careless and inefficient, they are only trying to avoid financial disaster. They try their best to keep a level flow of goods coming in but are fearful of having to bear the cost of more than a 3- or 4-month inventory. When demand for a particular item exceeds their advance estimates, it's easy to run out while replacement merchandise is still in transit.

While a long list of commodities are in short supply or completely depleted during the 100-day west coast longshore strike in 1971, the most publicized shortage was toilet paper. Actually, there was enough inventory of this commodity at the start of the strike to last for 100 days. But panic buying cleaned the shelves of the major retail outlets and, soon, other paper products began to disappear. Some people were using their homes as warehouses. Unhappily, people who did not hoard or were too poor to hoard were unable to find essential paper products for weeks. The same thing happened with salt, rice and other staples.

The merchant is caught in the middle. While he and his wholesalers may have enough stock on hand to withstand up to 3 months of ship-

ping interruptions—with the costs of such inventory-holding being passed on to the consumer, of course—there is little he can do to stop the hoarding that takes place and leaves his shelves bare or depleted. And it is the merchant who is blamed for failing to meet consumer needs.

Some consumers believe higher prices in Hawaii are the result of profiteering rather than because of a long supply line combined with heavy inventory requirements because of the ever-present threat of shipping interruptions.

This is certainly not the case as State of Hawaii Department of Taxation data reveals. A summary of this information for calendar 1971 shows that 45.6 percent of all corporations had no taxable net income, that 25 percent of all proprietorships reported net losses, and that only 495 of the 8,071 corporations filing returns that year paid cash dividends. The majority of the 37,600 enterprises filing tax returns for 1971 would have to be classed as marginal operations. Further, all of them combined paid the State only \$38.4 million in net income taxes, representing 7 percent of the State's total receipts of almost \$530 million.

Surface shipping interruptions lasting from 2 to 177 days have occurred 82 times in the past 28 years—an average of three times per year. Between November 1968 and December 1972, there were 272 days when shipping from the west coast alone was halted—or 18.6 percent of all the calendar days in that period, the equivalent of more than 5.5 days per month on the average.

Hawaii could certainly adjust to interruptions of a few days duration on an occasional basis. However, shutdowns of surface shipping for periods of 34 days, 41 days, and 100 days on the west coast during an 18-month period are devastating to the economy and especially to small firms.

Once such interruptions end, it takes most businesses from 3 to 9 months to get back to normal in terms of both inventory and financial stability. The backlog of demand cannot be met overnight and the financial setbacks are slow to overcome.

Business in Hawaii is currently very much concerned about the sustained high unemployment rate—8 percent statewide in July and as high as 10.5 percent for Hawaii County. In June the statewide figure reached 8.4 percent.

We are faced with 14 longshore and seagoing contracts on the west coast due for expiration in June, 1975. As the accompanying report published by the Hawaii Employers Council shows, we are also faced with four east and gulf coasts contracts expiring at that time, plus six longshore contracts in Hawaii.

Mr. Chairman, we have a fragile economy. Sugar and pineapple plantations are closing down at a rapid rate and other agricultural production cannot, for at least 20 years, if then, replace the losses we are experiencing in these two commodities. Construction is expected to be lower next year than in any of the past several years. And tourism, our current major source of income, has grown at a rate of only 6 percent this year compared to annual growth rates ranging from 11.2 percent to 28.8 percent for the past decade. Defense expenditures, our

second major source of income, are expected to level off or drop next year.

All of these factors are having a decided impact on our thousands of small enterprises, and creating unemployment and uncertainty. If we should be subjected to any significant interruption of our lifeline next year or the year after that, the economic impact will surely be severe—but I fear the psychological impact upon business and consumer alike will be long-lasting and will destroy the confidence of residents and prospective investors. People cannot live in constant fear of running out of salt and toilet paper and rice, or out of fear of being laid off because the basic materials needed to perform their jobs can't reach them.

There is no other American State that would condone such isolation from the necessities of life and of employment. When 80 percent or more of your vital needs are cut off, you do not have time to come running to Congress for special relief; you do not have time to wait for the impact to spread to several other States so the President may declare a national or regional emergency. The merchants begin to panic a whole month before a contract expiration. The consumers begin to panic about 2 weeks before a contract expires. And the tension becomes severe on the day of the walkout. No matter the assurances of business that supplies on hand are adequate for at least 45 days for nonperishables, the hoarding begins. The instinct of self-preservation is demonstrated to its fullest without shame.

Mr. Chairman, the people of Hawaii want only to be given the same consideration that people in other States receive when there is a major transportation interruption. They are convinced that no area on the U.S. mainland could be cut off so completely and for so long from so much of its needs without early intervention by the Congress or the Executive. But what hurts us does not hurt adjoining States—we are all alone with the narrowest part of our border measuring 2,400 miles thick.

We firmly believe that Representatives Matsunaga and Mink have propounded a reasonable bill in H.R. 7189—one that should be acceptable to all parties concerned, one that will by no stretch of the imagination break a strike nor interfere in the continuation of the collective bargaining process. In fact, Mr. Chairman, the passage of this bill will remove from the parties on the west coast the pressures we usually place on the White House of immediate Taft-Hartley injunctions. We are the only ones screaming for help at the earliest stages of a west coast strike or lockout, the people on the west coast are usually unaware of any effects from such longshore and maritime disputes.

There is already evidence that enactment of H.R. 7189 into law would measurably help to reduce the cost of doing business in Hawaii and help to ease consumer prices.

Just as significantly, it would ease our tensions and restore our confidence and make people elsewhere less fearful of doing business with us.

Today, just a little over 15 years since statehood, the people of Hawaii want full equality of treatment afforded all other States. The

only gap remaining is the assurance that our lifeline will be kept open. You can close that gap with the passage of H.R. 7189.

Mr. Chairman, I would like to make one final interjection. It just occurred to me after reviewing all the records in both the House and the Senate on this type of measure there has been no recorded opposition in Hawaii from any citizen of Hawaii regardless of his occupation. All of the opposition to this measure has come from people who live on the mainland.

I would like to call that to your attention. If you can find anything in the record from any citizens of Hawaii, I would like to see it because I haven't found any. I have never heard anyone in the islands, be it management, labor or government, openly put himself on the record as opposed to this measure.

Thank you, Mr. Chairman.

Mr. DINGELL. Mr. Mason, you have given the committee a most helpful statement. The Chair does note that you have appended to your statement, which I have followed most carefully, a survey of the cost of carrying extra inventory as a hedge against strike-induced shipping interruptions to Hawaii by the Department of Business Research, Bank of Hawaii.

I assume you wish to have that added to your statement.

Mr. MASON. Yes, sir.

Mr. DINGELL. Without objection that will be inserted at the conclusion of your statement. The Chair also notes that you have appended thereto a speech by Mr. C. W. Shafer, president of Shafer, Rabett & Knopf, Inc. Without objection that also will be inserted in the record at this point.

The Chair notes that you have a research report by the Hawaii Employers Council which also will appear at the conclusion of your statement without objection.

[The attachments referred to follow:]

A SURVEY OF THE COST OF CARRYING EXTRA INVENTORY AS A HEDGE AGAINST STRIKE INDUCED SHIPPING INTERRUPTIONS TO HAWAII

By the Department of Business Research, Bank of Hawaii—September 10, 1974

The cost of living in Hawaii has traditionally been much higher than on the Mainland United States. Recognizing that economic reality, our local media and community organizations have tried to define more precisely the factors within our island economy that contribute to higher prices. A frequently cited factor is the cost accrued from shipping interruptions due to longshore and maritime strikes. It has been shown in previous studies that the unemployment level, the number of business failures, and availability of everyday consumer items are all directly tied to any prolonged surface shipping shutdown. However, the everyday burden placed on our economy due to the fear of a stoppage has been previously said to exist, but has eluded quantification.

A questionnaire concerning the effect of the uncertain shipping situation upon inventory management policies of local businesses was mailed to a cross-section of business firms on Oahu, in an effort to determine the extent to which costs may be incurred as the result of carrying extra inventory as a hedge against possible interruptions to shipping. The following results are based on a response from firms that have aggregate annual sales of over \$300 million.

An analysis of these returns indicates the following: Seventy percent of those responding said that they do keep "insurance" inventory. Nineteen percent said they keep larger inventories when labor contracts are expiring, and eleven percent said they were not affected by the dock situation.

In response to the question, "What would your inventory be if you were guaranteed no shipping interruptions longer than ten days?" those answering affirmatively said they could reduce physical inventories as follows:

| [In percent] | |
|--|---|
| Potential reduction in inventory by days: | Share of firms responding affirmatively |
| 10 to 19..... | 12 |
| 20 to 30..... | 57 |
| 31 to 65..... | 31 |
| Total (70 percent of total respondents)..... | 100 |

The corresponding dollar value of potential inventory reductions is as follows:

| [In percent] | |
|---|--------------------------------|
| Potential reduction in inventory valuation: | Firms responding affirmatively |
| 10 to 19..... | 13 |
| 20 to 40..... | 81 |
| 41 to 60..... | 6 |
| Total | 100 |

The cost of carrying extra inventory consists primarily of interest and warehousing expenses. The aggregate total of the cost of carrying extra inventory by the respondents was \$2.8 million, representing 0.9 percent of their gross sales volume of \$300 million in 1973.

Wholesale firms estimated their costs of carrying extra inventory at an average 1.5 percent of sales, while retail firms averaged an estimated 0.5 percent of sales.

To obtain an industry-wide estimate of the impact of extra inventory, these factors were applied to total sales. In the case of wholesale sales in Hawaii for 1973, the total was \$2.04 billion. By applying the percentage of 1.5 percent to this total, we estimate that wholesale firms may have spent about \$30 million to manage the extra inventory they carry. Similarly, total retail sales for 1973 were \$2.74 billion. By applying the extra cost of 0.5 percent to that total, we find that retail firms may have spent about \$14 million in extra inventory costs.

Therefore, on this basis the total costs to wholesale and retail firms in Hawaii for maintaining "insurance" inventory were estimated to be approximately \$44.3 million in 1973. This averages \$200 per household in Hawaii.

Hawaiian business firms viewed the period between July, 1971 and December, 1972 with apprehension. During that 17 month period, three different strikes shut off incoming and outgoing sea cargo for a total of 5½ months. Businessmen saw their market penetration and sales drop. Consumers were faced with rising prices as product availability and variety diminished. A guarantee of no shipping interruptions would offer the following benefits:

1. A number of small firms were forced to discontinue business as a consequence of their inability to obtain delivery of their products, while incurring substantial debts in the process. Because Mainland manufacturers often bill their island business customers ten days after a shipment leaves the factory, a shipping interruption would devastate a small merchant whose cargo is alongside or aboard a stalled vessel. A guarantee of no shipping interruptions longer than ten days would give a business time to divert any cargo to air transport while allowing ship-carried merchandise to be delivered as scheduled, thereby avoiding a crippling drain on cash flow.

2. When basic products are in short supply (e.g. paper or steel), firms attempt on a nationwide basis to stockpile in order to prevent plant shutdowns caused by backordered materials. The cost to Hawaiian firms of handling additional shortage-based inventory becomes prohibitive. An assurance that goods could travel freely by sea could cut these inventories substantially, thereby passing on a reduction of cost to consumer.

The cost of carrying extra inventory per dollar of sales of those affected range from 0.4¢ to 2.9¢. This expense is passed on to all consumers in Hawaii, regardless of occupation. The psychology of shortages turns the Hawaiian consumer

into a hoarder of toilet paper and food stuffs at the hint of a strike. To wholesale and retail firms, the concern for shipping interruptions makes stockpiling a year-round business.

SPEECH BY C. W. SHAFER, PRESIDENT, SHAFER RABBETT & KNOPF, INC. DBA C. W. SHAFER DISTRIBUTING CO., TO THE ANNUAL HOME ECONOMICS TEACHER'S SEMINAR, SEPT. 14, 1974, KAHALA-HILTON HOTEL, HONOLULU, HAWAII

APPLIANCE MARKETING IN HAWAII

How it differs from the mainland.

Example: Shafer in wholesale appliance distribution in San Diego 10 years: 1948-58. Warehouse space in San Diego—3¢ per sq. ft. (1958). Warehouse space in Honolulu—15¢ per sq. ft. (1958). Today—San Diego—6¢ per sq. ft.—Honolulu—40¢ per sq. ft.

How this affects selling prices.

San Diego required inventory—30 days.

Honolulu required inventory—90 days.

Space—San Diego—4,000 sq. ft. @ 6¢ = \$240.—Honolulu—12,000 sq. ft. @ 40¢ = \$4,800 per month.

San Diego monthly sales volume \$100,000, cost of warehouse space less than one-quarter of 1 percent (.024).

Honolulu—4.8 percent (4.56 percent higher).

Ocean freight, marine insurance, cartage from dockside to warehouse—6 percent average combined appliance and TV products.

Inventory investment—San Diego—30 days, \$100,000.—Honolulu—90 days, \$300,000.

Bank interest 1 percent over prime.

Honolulu—90 days inventory investment (\$300,000), 13 percent—\$39,000.00 = approximately 3.3 percent of annual sales.

San Diego—30 days inventory investment (\$100,000), 13 percent—\$13,000.00 = approximately 1.1 percent of annual sales.

Based on this example of an annual sales volume of \$1,200,000. Honolulu is 2.2 percent higher than the mainland.

Salaries the same (this is why we have more working couples in Honolulu than mainland cities.)

Other expenses, such as inter-island freight, usually passed on to neighbor island dealers (except for large dealers buying direct shipments to the neighbor island ports).

Sending sales representatives to the neighbor islands to call on franchised dealers, airfare, car rental, hotel, long distance phone calls to the mainland.

Appliance distributor's expenses in Honolulu average 15 percent more than mainland distributors.

| | Percent |
|--|---------|
| Additional warehouse space..... | 4.56 |
| Ocean freight, insurance, cartage..... | 6.00 |
| Interest on inventory..... | 2.20 |
| Total..... | 12.76 |

+ 2.24 percent other expenses: inter-island travel, etc.

Examples: A Magnovox color TV selling for \$500 on the mainland will sell for \$575 in Hawaii.

An Amana \$1,000 refrigerator on the mainland with ice and water on the front will sell for \$1,150 in Honolulu.

A \$435.00 Radarange on the mainland will sell for \$499.95 in Hawaii.

A KlitchenAid \$279.95 trash compactor on the mainland will sell for \$319.95 in Honolulu.

A GE \$20.00 toaster on the mainland will sell for \$22.95 in Hawaii.

What can be done to help change this?

Last Year Senators Dan Inouye and Hiram Fong introduced Senate Bill S. 1566 to exempt Hawaii for 160 days from any West Coast maritime or long-shore strike.

In the past 28 years, Hawaii has been shut off from mainland suppliers for 1,788 days—almost five full years. And the threat that another tie-up will take place without adequate notice is always present. The Islands account for less

that 3% of West Coast shipping, so the impact on the strike itself is insignificant. But that 3% is the key to the Islands' survival. S. 1566 was passed by the Senate on July 17, 1974 by a vote of 58-39. Its companion bill, H.R. 7189, is now before the House of Representatives. This is the most important legislation for the State of Hawaii since Statehood. The Chamber of Commerce of Hawaii and local businessmen have been in contact with manufacturers and mainland suppliers asking them to personally contact their Senators and Congressmen to gain support for the passage of this important legislation.

With the protection of 160 days from any West Coast maritime or longshore strike, Hawaii businesses will be able to substantially reduce their investment in inventories and warehouse space. Air freight shipments not practical for major appliances and TV, okay for housewares, parts, etc.

In closing, I would like to commend the Home Service Department of H.E.Co. for the fine job they do in familiarizing home economists in the schools and consumers with the many electrical appliances available through our industry.

Thank you.

HAWAII EMPLOYERS COUNCIL RESEARCH REPORT, HONOLULU, HAWAII

REOPENING AND EXPIRATION DATES OF HAWAII, WEST COAST, AND EAST AND GULF COAST CONTRACTS AFFECTING HAWAII SHIPPING

| Year | Hawaii | West coast | East and gulf coasts |
|-----------|--|--|---|
| 1974..... | | Reopening June 16: Masters, Mates & Pilots; Marine Engineers Beneficial Association (MEBA); American Radio Association; Marine Staff Officers. Expiring Dec. 31: Master railroads contracts. | Reopening June 16: Masters, Mates & Pilots; Marine Engineers Beneficial Association (MEBA); American Radio Association. Expiring Sept. 30: International Longshore Association (ILA). Expiring Dec. 31: Master railroads contracts. |
| 1975..... | Expiring June 30: ILWU—Longshore; Wharf Clerks; Bulk Sugar; Special Officers, Security; CFS/CY; Maintenance. | Expiring June 15: Masters, Mates & Pilots; Marine Engineers Beneficial Association (MEBA); American Radio Association; Marine Staff Officers; SIU—Marine Cooks & Stewards; Marine Firemen's Union; Sailors' Union of the Pacific (SUP); SUP Maintenance (Shore/Gangs); American Federation of Musicians (Seagoing); California Nurses' Association (Seagoing). Expiring June 30: ILWU—Longshore; Clerks; Walking Bosses; Watchmen. | Expiring June 15: National Maritime Union; Masters, Mates & Pilots; Marine Engineers Beneficial Association (MEBA); American Radio Association. Expiring Dec. 31: Port Watchman's Union (New York). |
| 1976..... | | Expiring Mar. 31: Master teamster contracts. | Expiring Mar. 31: Master teamster contracts; National Maritime Union (Towing, New York). |

STATE OF HAWAII RATE OF UNEMPLOYMENT 1971-74

| | 1970 | 1971 | 1972 | 1973 | 1974 |
|----------------|------|------|------|------|-------|
| January..... | 3.6 | 5.2 | 17.1 | 6.6 | 7.5 |
| February..... | 3.7 | 5.3 | 17.2 | 6.0 | 7.3 |
| March..... | 3.7 | 5.1 | 6.8 | 6.3 | 7.4 |
| April..... | 3.9 | 5.4 | 7.0 | 6.2 | 7.6 |
| May..... | 4.2 | 5.8 | 7.2 | 6.5 | 7.4 |
| June..... | 5.4 | 7.1 | 8.2 | 7.8 | 8.4 |
| July..... | 4.7 | 6.3 | 7.8 | 7.5 | 8.0 |
| August..... | 4.5 | 6.5 | 7.3 | 7.4 | |
| September..... | 4.7 | 7.4 | 7.6 | 7.3 | |
| October..... | 5.0 | 7.2 | 7.2 | 7.3 | |
| November..... | 5.2 | 7.8 | 7.5 | 7.5 | |
| December..... | 5.3 | 6.7 | 7.0 | 7.3 | |

¹ ILWU, West Coast strike, Jan. 17 to Feb. 19, 1972.

² ILWU, Oregon strike, May 11 to June 4, 1970.

³ ILWU, San Francisco strike, June 9-19, 1971.

⁴ ILWU, West Coast strike, July 1 to Oct. 8, 1971.

⁵ ILA, East and Gulf Coasts strike, Oct. 1 to Nov. 26, 1971.

⁶ MMP, Pacific strike, Oct. 25 to Dec. 4, 1972.

Source: State of Hawaii Department of Labor and Industrial Relations.

Mr. DINGELL. The Chair wishes to commend you. You have given us a very thoughtful and helpful statement. You certainly have made an excellent case for the bill. The Chair can only say that your efforts in this particular have only been exceeded by those of Mr. Matsunaga and Mrs. Mink, who have pressed the committee most vigorously for hearings today and are now pushing for further action.

I hope you folks in Hawaii appreciate the fine quality of representation you have here and the very able Members you have here serving in Washington.

Mr. MASON. Thank you very much, Mr. Chairman. We certainly do.

Mr. DINGELL. We hope you will remain available in the event there are further questions by members of the committee.

The Chair recognizes Mr. Matsunaga.

Mr. MATSUNAGA. Thank you, Mr. Chairman.

Our next witness is one who also flew 5,000 miles for the specific purpose of testifying. He is the president-elect of the Honolulu Japanese Chamber of Commerce and who by law happens to be an uncle of my distinguished colleague, Mrs. Mink.

Mr. Chairman, may I present Mr. Fred Tamura.

Mr. DINGELL. Mr. Tamura, we are certainly pleased to welcome you to the committee, the more so in view of the relationship you have with the distinguished gentlewoman from Hawaii, Mrs. Mink, for whom all of us here have such high regard. We are privileged to have you with us.

If you will identify yourself fully for the record, including that you are the uncle of Patsy Mink, we will be pleased to hear your statement.

STATEMENT OF FRED TAMURA, PRESIDENT-ELECT, HONOLULU JAPANESE CHAMBER OF COMMERCE, ALSO REPRESENTING THE HILO JAPANESE CHAMBER OF COMMERCE AND INDUSTRY, AND THE CHINESE, PHILIPPINE, AND KOREAN CHAMBERS OF COMMERCE

Mr. TAMURA. Thank you very much, Sparkie.

My name is Fred I. Tamura. I am president-elect of the Japanese Chamber of Commerce. I also today have the privilege of representing the Hilo Japanese Chamber of Commerce and Industry and, as attested by a telegram I just received this morning, I will be speaking for the Chinese, the Filipino, and the Korean Chambers of Commerce of Hawaii.

Mr. DINGELL. Mr. Tamura, without objection the telegram will appear in the record at this particular point.

Mr. TAMURA. Thank you very much.

[Telegram follows:]

HONOLULU, HAWAII,
September 26, 1974.

FRED TAMURA OR GEORGE MASON,
% The Statler Hilton Hotel,
Washington, D.C.

Strongly advise also to represent Chinese, Philippine and Korean Chambers of Commerce at H.R. 7189 hearing acknowledged by and agreed upon by all presidents representing over 1,100 members.

GEORGE SAKAI and BILL PAUL

Mr. TAMURA. My name is Fred I. Tamura. I am in business. I am vice president of Meadow Gold Dairy, a subsidiary of Beatrice Foods, Inc. I am a citizen of the United States of America, residing in the State of Hawaii.

I would like to thank you very much, Mr. Chairman and members of the subcommittee, for holding this hearing at this time of the year. As stated earlier, I represent this group and this group basically is made up of all nationalities, small businessmen as characterized earlier, a small business group representing 83.6 percent of the business that is conducted in the State of Hawaii running an average of 1 to 7 employees.

Mr. Chairman, speaking for the group, I ask your favorable consideration of a reasonable bill, H.R. 7189, introduced by your fellow Congress Members, Representatives Mink and Matsunaga.

For Hawaii—and I believe I express the sentiments of all Hawaii, no legislation in the U.S. Congress has received interest and support from all segments of the citizenry as H.R. 7189 since the enactment of statehood for Hawaii 15 years ago.

Hawaii being an island State, our only mode of transportation is via ocean carriers and limited air cargo. Our point of entry to the State is limited to the harbors, basically Honolulu. There are transshipments to the island and two airports, one in Honolulu and the other one in Hilo. We have no interstate highways, no trains, trucks, buses nor automobiles as a means of transportation with other States.

When Hawaii is caught in the grip of a mainland waterfront strike, the only contact with the rest of our sister States would be by the trunk air carriers that would originate at the least from San Francisco or Los Angeles, 2,400 miles away. Obviously a similar situation can hardly ever come to exist with any of the other 49 States.

Because of the frequency and unpredictable length, the general public in Hawaii has a knee-jerk reaction to the news that a west coast strike might occur—and they react only a little less so if one is threatened on the east or gulf coasts.

Panic buying occurs, as in the case of toilet paper, salt, flour and rice in 1971 and 1972 when a series of strikes cut Hawaii's supply line for a total of 175 days in 18 months. The shelves were left bare of these and other items for weeks and unavailable to those who did not hoard, mostly the poor.

Hawaii's wholesalers and retailers maintain inventories of non-perishable commodities far beyond the volume and duration elsewhere in the Nation—as a hedge against unexpected strikes. When one is anticipated, supply houses and merchants expand a normal 4-month inventory to a 5- or 6-month supply. With warehousing costs at 30 cents to 40 cents a square foot per month, plus the high financing costs incurred during this holding period, there is a high added cost of doing business that is passed on to the consumer.

The effects on small businesses are severe. They can't finance usually large inventories, can't get aircraft space during a strike and are unable to withstand loss of business for any length of time.

Construction is hard hit within a few weeks—there is no way to airlift lumber, pipe, steel beams or bathtubs. Even when we don't foresee a strike our supply houses have to play it safe by carrying large inven-

tories at greatly added cost. A low-cost home in Hawaii is priced at \$45,000 and the average price today is \$70,000—not counting land cost.

Worst of all, the effects of a prolonged strike on the docks or aboard ship do not disappear once it is settled. Most businesses do not get back to normal for periods ranging from 3 to 9 months.

For the citizens of Hawaii this situation becomes more unbearable when higher cost and lack of commodities are imposed upon them as a result of difference of opinion 2,400 miles away and having no bearing on Hawaii. Is it any wonder that we feel discriminated on these occasions? By means of other transportation the other States can ride out the waterfront strikes, Hawaii cannot.

Hawaii is particularly vulnerable to a waterfront tieup. There is no way Hawaii can within its 6,450 mi² produce a complete range of produce and goods to support a population of over 850,000 people and the many visitors coming to the islands annually.

Over 80 percent of all physical commodities purchased and utilized in Hawaii is shipped in—mainly from the sister States of our Nation.

Let us look at food. Aside from sugar and pineapple, agricultural production in Hawaii is on a fairly small scale. Imports amount to 52 percent of all the beef we consume, 64 percent of all pork, 75 percent chicken, 100 percent lamb, mutton and turkey, nearly all prepared picnic foods. We import all our butter and margarine, we import all our frozen foods, 58 percent of fresh vegetables marketed in Hawaii including 99 percent of potatoes, 89 percent of carrots, 58 percent lettuce, 44 percent of tomatoes and a host of other fresh produce.

Fresh fruits from the mainland total more than 31 million lbs. a year. All these items are highly perishable and must keep flowing into the State on a continuous schedule.

Added to the food items for the over 850,000 population are other imports including animal and poultry feeds, clothing, building materials, household furnishings, appliances, oil, gasoline and other necessities.

We import all our paper goods, all trucks, buses, automobiles, and medical supplies. The list of imports is endless and evergrowing.

Mr. Chairman, the people of Hawaii, especially the small businessmen, are not against strikes per se. We have our own shutdowns involving our own people and companies. All we are asking is consideration from the committee for relief from a waterfront tieup over grievance that does not involve the people of Hawaii, but does cripple the people of Hawaii.

Speaking of added cost, one of the supermarket chain operators reported a 400-percent increase in freight cost using air transportation during a 30-day period in the strike area—this in spite of the fact he still was not receiving his total normal imports. He also made mention of the fact that much of the goods were received damaged as the air transportation system was not prepared to handle the sudden demand for extra loads and new products.

Mr. Chairman, H.R. 7189 will relieve the nightmare Hawaii has experienced from the devastating effect of past long mainland waterfront shutdowns. In one 18-month period in 1971 and 1972 we experienced shutdowns of 34 days, 41 days, and 100 days. Many small businesses never recovered and neither did the consumers.

Mr. Chairman, H.R. 7189 will not deal a crippling blow to a west-coast shutdown. The bill would affect less than 3.5 percent of its long-

shore labor and not more than 7 percent of the shipboard labor out of the west coast. Thus a longshore labor strike on the west coast would remain 96.5 percent effective and a maritime strike would remain 93 percent effective.

We in Hawaii doubt the conditions as requested in this bill will do anything to us as a result of these strike grievances. But H.R. 7189 will help protect Hawaii's health, welfare, and economy. Above all, it will give the citizens of Hawaii equal opportunities as enjoyed by the citizens of the other 49 States under similar conditions.

We sincerely believe the 160-day injunction as provided in H.R. 7189 is a nondiscriminating and responsible bill. Hawaii asks your favorable consideration at the earliest date.

Thank you very much.

Mr. DINGELL. Mr. Tamura, you have given the committee a most helpful and carefully thought-out statement. We commend you for your presence, your interest and for the assistance which you have rendered this committee. We are grateful to you.

Mr. TAMURA. Thank you very much.

Mr. DINGELL. The Chair hopes that you will find it possible to remain with us in case there are questions to be raised by members of the committee.

Mr. TAMURA. I certainly will.

Mr. MATSUNGA. Our next witness is a former chairman of the Honolulu Community Action Program and a member of the Kalihi-Palama Recipient Advisory Council, a pure Hawaiian, and descendent of the aboriginal natives of Hawaii, representing the poor and underprivileged people of Hawaii.

Mr. DINGELL. Mrs. Kahihikolo, you are welcome here. We are particularly privileged to hear you today.

STATEMENT OF MRS. KATHERINE KAHIIHIKOLU, IN BEHALF OF THE HONOLULU COMMUNITY ACTION PROGRAM AND THE KALIHI-PALAMA RECIPIENT ADVISORY COUNCIL

Mrs. KAHIIHIKOLU. Thank you, Spark.

Mr. Chairman, aloha.

My name is Katherine Kahihikolo. I am here representing the positive point of view of this proposed legislation. I am a person of moderate means and whenever there is a stoppage of shipping to the Hawaiian Islands I am among those who suffer first and most lastingly.

My family cannot afford to live in a manner that provides a buffer from the hazards of going without the vital necessities, including the staples of life on our table.

Honolulu Mayor Frank T. Fasi had stated in testimony in 1973 to you on the same subject that the issue is the survival of the economy of the State of Hawaii in the face of continued shipping stoppages. Please let me add to that statement that the issue is not only the survival of the economy, but also the very survival of the people of Hawaii. How can I properly care for and feed my children when there is a shipping tieup?

Although I am a small and insignificant person, and Hawaii is a small and insignificant State, I believe that we are just as entitled to

every protection that the U.S. Congress can provide as the people in New York, Miami, or New Orleans. The U.S. Congress would not stand by and watch the populations of major cities in the continental United States suffer when and if their transportation lifelines are cut off.

Hawaii has suffered many crippling strikes since October of 1946. That strike lasted 53 days. Other strikes have lasted 96 days and 177 days. Think of the devastation to our economy and to our people during a strike that lasts 177 days. Would the members of this committee allow their constituents back home to suffer this kind of blow and still expect to keep their confidence?

My husband makes his living from the sweat of his brow and therefore we understand the many good things that have been brought about by labor unions. But when 300 members of a Pacific coast union can cut life off for 850,000 people in Hawaii by staging a shipping stoppage, then something is wrong. There is a definite imbalance that must be corrected. We are not against the rights of the labor unions involved, but our welfare must be taken into account and protected by law.

It is said that when shipping is tied up, then we can go to air freight as an alternative means of getting goods to Hawaii. I say this is a totally unacceptable alternative especially for those of us of moderate means, because the cost of air freight is up to 10 times that of surface shipping. After the goods are air-freighted in, guess who pays the total tab? You guessed it, not the businessman, and certainly not the union. The tab is paid by the people like me who have to have the merchandise or starve.

We don't have our own rice paddies or taro patches in Hawaii any more. Under modern zoning laws the majority of us, because we are in residential districts, can't even have poultry or small livestock that we can feed our families on during an emergency. We are at the complete mercy of the conveniences of the modern supermarket. And if that supermarket cannot receive the goods because of a shipping tieup, we simply don't eat.

The State of Hawaii presently depends on an average of 18 scheduled cargo vessels and five barges a month for almost every necessity of modern living. And, in turn, these ships and barges take our local produce to mainland markets. What I am saying is that we not only don't eat normally because of shipping tieups, but after a short while of not being able to ship to the mainland our local producers begin laying people off their jobs.

A noted Hawaiian economist has said that long strikes also have a slowing down effect on the construction industry, which increases unemployment and underemployment, decreases total personal income, retail trade and tourist arrivals. In addition, he said, there are price increases and numerous small business failures.

Hawaii already is in bad shape. Eight percent of her people are unemployed and something like 1 out of every 10 persons receives welfare assistance. A crippling strike at this point in time would send Hawaii into a serious depression unlike anyone has seen in the United States since the 1930's. All it takes is a shipping stoppage of 2 months—and many of them have been longer than that.

I can tell you from experience that during shipping stoppages we in Hawaii pay more than twice the mainland costs for basic food items. We either paid the price or went hungry.

I have just about used up my allotted time and I have not begun to list all of the details of how we in Hawaii suffer due to shipping stoppages. But let me emphasize in summary to the broad picture I have presented that we are in no way against labor. We sympathize and support labor. But by the same token labor cannot sit by and see us lose our jobs and go hungry in Hawaii in order to get what they want.

If you fail to act positively on the measure before you to protect the people of Hawaii, then I will go home a very sorry woman for learning that the great system of government that we are now a part of in the United States cannot give us the same protection in Hawaii that you enjoy elsewhere.

Thank you very much.

MR. DINGELL. Mrs. Kahihikolo, you have given the committee a most impressive statement. We thank you.

Mr. Matsunaga.

MR. MATSUNAGA. Mr. Chairman, our final witness, who also traveled 5,000 miles for the specific purpose of testifying before your subcommittee, is a housewife, a former school teacher, member of Citizens for Hawaii, a consumer-oriented group in Hawaii, Mrs. Helen Griffin.

MR. DINGELL. Mrs. Griffin, we are certainly pleased you are with us today. We appreciate your coming this long way.

STATEMENT OF HELEN GRIFFIN, MEMBER, CITIZENS FOR HAWAII

MRS. GRIFFIN. Mr. Chairman and members of the committee, my name is Helen Griffin. I am here to ask for a favorable consideration of H.R. 7189. I am speaking today from the point of view of the average consumer of Hawaii.

The cost of living in our State is, with the exception of Alaska, the highest in the Nation. We are all aware of this. And soon we may have population problems because of our limited size. This seems inevitable. Still, we in Hawaii consider our State a very special place, just as others in this country consider their homes special. However, in Hawaii we are also unique—not in our love for our State or in our problems, but in our vulnerability. We are unique because the whole State is almost totally dependent for its survival on a single mode of transportation, shipping. This extreme situation is the reason this bill before you today is so vital to us.

Mr. Chairman, we are not antilabor. Hawaii has been essentially prolabor for over 25 years and I believe we still are. We are not asking for a vote against collective bargaining or strikes; Hawaii has a history of supporting the unions. In asking for this legislation, we are asking for lower prices, relative stability in our economy and peace of mind. Mr. Chairman, these are not unreasonable requests. We are innocent bystanders with no voice or influence in the west coast's problems, and yet we who are 2,400 miles away are the ones who suffer most when people on the west coast cannot reach an agreement.

Since World War II there has been a cumulative total of over 4 years of interrupted transportation to and from Hawaii. Add to that

the prestrike period of frantic stockpiling and the poststrike period of getting business back to normal and you have about 6 years of disruption due to transportation disputes—nearly one-fourth of the time since 1946.

This unique situation has produced an illogical but understandable reaction in the people of Hawaii. The immediate effect of an impending strike is panic in an otherwise gentle and reasonable people. Supermarket shelves are rapidly depleted as those who can afford it begin hoarding the more important staples. Others who can ill afford it will sacrifice elsewhere in order to hoard the necessities. And those who simply cannot afford to hoard wish they could.

For example, a Kalihi laborer who earns \$3,500 a year said in an interview during the 1971 strike that he wanted to stockpile rice to feed his wife and three children. "But I just couldn't afford it," he said. "I live day-to-day and week-to-week. If we run out of rice, I guess that's it. We just run out of rice."

Mr. Chairman, we haven't run out of rice yet, but the fear is real and the fatalism of the Kalihi laborer tragic. He has no part in a dispute 2,400 miles away. His only role is to suffer. Hoarding, of course, is foolish because it creates a false and unnecessary shortage, but the instinct to survive appears to be stronger than good sense.

But even without hoarders, an extended series of strikes such as we had in 1971-72 creates serious shortages. The headlines of that time present a graphic picture of the situation:

MARKET SUPPLIES DEPLETED (TOILET TISSUE, SALT, MAYONNAISE, RICE). DOCK STRIKE CASUALTY—OROWEAT TO CLOSE; STRIKE CLOSES TWO FURNITURE STORES. MAUI MOCHI PLANT HURT BY STRIKE. STRIKE CAUSES LAYOFFS AT TUNA PLANT. TOILET PAPER NEARLY OUT IN MAUI. WHO CAN SURVIVE STRIKE THE CANDY MAN CAN'T. CHRISTMAS TREE SHORTAGE SEEN. STATE TO PAY FOR RELIEF RICE.

It is inconvenient when you can't buy tissue paper or mayonnaise or even salt. But it is serious when you can't buy toilet paper. It is serious when your rice supply is low, and for the poor it is grave when the limited supply of rice is so expensive, and you are out of a job because the shortage of material has closed a business.

Inevitably when the supermarket shelves are low, prices rise. We have lived for many years with the fact of the high cost of living. We know that it is the consumer who has to pay the costs of shipping to our island State so far from the mainland coast. We know how this affects our housing, our clothing, our transportation, our food because almost everything we consume is imported.

According to the Department of Labor's report on retail food prices in the Pacific region, in June 1971, when the west coast strike began, Honolulu paid 72 cents for a half-gallon of milk while Los Angeles paid 55 cents; chicken was 69 cents a pound in Honolulu and 40 cents in Los Angeles; lettuce was 47 cents to Los Angeles' 27 cents; and round steak, a luxury, was \$1.30 a pound to Los Angeles' \$1.26. You can see there is a great disparity in these prices.

A year and a half of strikes later, in December 1972, the report shows that milk in Honolulu went up to 76 cents but remained unchanged

in Los Angeles. Chicken had risen to 74 cents a pound in Honolulu and went up only 1 cent to 41 cents a pound in Los Angeles, an unbelievable difference of 33 cents a pound. Lettuce had made a dramatic leap to 69 cents a head in Honolulu, 22 cents more, and to 38 cents in Los Angeles, only 11 cents more. Round steak rose to \$1.48 a pound in Honolulu, an 18-cent rise, and \$1.29 in Los Angeles, only a 3-cent rise.

We are accustomed to paying up to a dollar for a basket of strawberries air-freighted from the west coast, but we can choose not to buy them. But when just about every item in the market rises in price, we have a sense of helplessness—that we are pawns in other peoples' battles. Should we have to live with this?

This legislation will not only spare us the inevitable rise in costs that accompany a west coast strike, it will also help lower our normal costs. Businesses are forced to keep large inventories as security against shipping tieups and the costs of warehousing and labor are passed on to the consumer. Hawaii will probably always remain an expensive place to live, but must we also have needless expenses?

The pushbutton panic, the shortages, the higher prices affect all of us in Hawaii cutting through all sectors of the State because we are all consumers.

The effect of these frequent strikes on our pocketbooks is very tangible. But there is also a psychological effect on the morale of the people of Hawaii. There is a kind of Berlin blockade mentality, a sense of unease and anxiety, a subtle fear that the goods might not come in. We aren't living in wartime, Mr. Chairman, and these anxieties and fears are unhealthy and needless.

Mr. Chairman, the people of Hawaii ask that this committee strongly recommend the passage of this bill.

Mr. DINGELL. Mrs. Griffin, you have given the committee a most helpful and impressive statement as to how citizens of Hawaii are affected by this situation. The Chair certainly thanks you for your assistance to the committee.

Mrs. Mink.

Mrs. MINK. Mr. Chairman, if I may interject, I think Mrs. Griffin has really spoken from the heart the message that other citizens, had they had an opportunity to come here, would have wanted to say directly themselves.

I think the businessmen can certainly speak for themselves. The Governor of Hawaii had an eloquent spokesman here. But the individuals who are seldom heard from, represented by both Mrs. Kahihikolo and Mrs. Griffin, are the ordinary citizens. I can recall the days when the strike was going on in the fall of 1971 and the commodities that Mrs. Griffin described were short.

Time after time people said to me when I was trying to push the legislation that eventually got to the Education and Labor Committee, "What is the problem? You have an airlift. You can get the things you really need by air, medical supplies and so forth, and therefore you don't have a real emergency."

But these individuals were totally unaware of what was happening actually in the stores and marketplaces and supermarkets of Hawaii. Sure, we were able to get fresh fruits and vegetables air-freighted in

at tremendous cost, at 100 or 200 percent price increases over what they normally were before the strike. Both my parents were very severely affected. They were both retirees at that time living only on social security.

Imagine what these people had to go through during those 180-plus days when the strike was going on. These are some of the people with fixed incomes who have suffered most.

Mr. KUYKENDALL. There are some items that obviously can be airlifted for reasons of extremely high value or very low volume. Everyone here has referred to toilet paper.

There is one very simple reason that there is no way to airlift a product like that—space. It is too bulky. There are other items that are very, very heavy.

I think the labor movement on the west coast and probably the National Councils of AFL-CIO have an instinctive fear that this is going to undermine the basic strength of collective bargaining in labor-management relations.

Remember a few years ago there were attempted national airline strikes. We don't have those any more because organized labor and management and the Congress recognized the fact that we can not have a total paralysis. So now when there is a strike, it is selective and, therefore, will not affect the total economy.

We are not going to have any more national rail strikes or national truck strikes.

The railroad unions fought long and hard and finally won their case in the Supreme Court to have selective strikes because they recognized the Nation would not tolerate a national shutdown.

What is happening to Hawaii has to be presented as the equivalent to a national strike which has come to be unacceptable stateside.

Thank you, Mr. Chairman.

Mr. DINGELL. I think the gentleman from Tennessee has made a very good point. The Chair has observed, I would call, the considerable distress of the people of Hawaii during the last strike referred to in the testimony today. The Chair recalls at that point that the Congress did respond. We did meet the need. It was largely as a result of the leadership of the gentleman from Hawaii and Mrs. Mink that the Congress did respond.

Both Mr. Kuykendall and I have participated in a number of pieces of legislation relating to labor-management problems. We regularly have rail strikes before us and we regularly have the airline strikes before us when they occur and this committee and the Congress have responded. I have not always supported the conclusions that the Congress or the committee came to, but we have always responded to the need to prevent these national transportation strikes or a strike which would close down an entire portion of the Nation's economy.

I say that even though I have not always agreed with the determinations of the Congress. The Congress does respond and large segments of the American labor movement have become aware, as the gentleman from Tennessee has so well pointed out, that these kinds of labor shutdowns and disputes between labor and management do have the result of bringing a national response with the demand that national services do not terminate during these times when labor seeks

economic justice and I suspect that the history of that is going to accelerate if labor does not continue the same kind and management doesn't continue the same kind of joint effort toward arriving at a more intelligent method of settling these disputes without the enormous hardship and terrible destruction that this kind of strike has on the Nation as a whole.

Mr. Kuykendall pointed out that you have in Hawaii what is very clearly a very special problem, one which is not present, I think, anywhere else in the country, at least no place else that I have become aware of is affected so directly, so forcefully and immediately as the problem you present to us today.

The Chair is not prepared to speak for the committee because I am not prepared to indicate what the committee is going to do. The members of this committee have a way of speaking for themselves. The Chair does think that perhaps the message that you have given us this morning should be borne very carefully in mind by all persons involved, management and labor, all unions and all the management people who are involved, and that we should recognize—I think everyone in this room and many who are not here present with us—that absent some statesmanship by all parties of a very high order, there almost certainly will not be the kind of resolution to which you are speaking today, Mr. Matsunaga and Mrs. Mink and the very able witnesses you have had here appearing on behalf of the bill are sincerely seeking a fair solution.

But I suspect perhaps maybe it is the kind of high economic statesmanship in this labor-management field that is required of both parties, labor and management, that we may look to at a time in the future on this bill as being perhaps the most intelligent and moderate kind of approach that could have been achieved to protect the legitimate concerns of the people of Hawaii from the kind of awful consequences that flow from one of these strikes in which people on the mainland are not emotionally or economically involved.

You have given this committee a great deal to think about this morning. The committee will certainly bear very carefully in mind your comments and thoughts as we go forward with consideration of this legislation.

The committee does hope that other persons involved in this, both from labor and management, will bear very carefully in mind the testimony here and the economic concerns and disasters that strike the people of Hawaii.

I suspect that if they do, they will rather gratefully look on this legislation as a way perhaps of heading off something considerably more repressive in future times. So, the Chair wants to express the commendations of the subcommittee to you, Mr. Matsunaga and Mrs. Mink.

You certainly are outstanding Representatives of the people you serve so ably in every particular. The Chair does look forward to working with you on problems of this kind. We will try to bear very carefully in mind your comments and those of the witnesses who appeared here today.

We want to express our thanks and commendations to you, Sparkie, and to Patsy, and to all of you, very able people who have come a great distance to assist us.

The Chair has observed many hearings in his tenure here and rarely have I had the privilege of observing people who were more sincere, who presented a better case, who spoke better on behalf of the people and more particularly on behalf of the people whose thoughts they bring to us here in Congress. We are proud of you, Mr. Matsunaga and you, Mrs. Mink, and all the very fine people who have assisted us today.

Mr. MATSUNAGA. Mr. Chairman, if I might. I wish once again to thank you, Congressman Kuykendall and members of the subcommittee for taking time out of your busy day. I know you had other plans and upon our urging agreed to hold these concluding hearings. I do appreciate the kind remarks of the chairman and of Mr. Kuykendall. I do urge upon you that you take this to the other members of the committee and hold your business session to report out this measure as soon as possible.

Thank you very much.

Mr. DINGELL. The Chair does observe that it is most extraordinary for us to hold a Friday hearing in this subcommittee, particularly in light of the fact that this subcommittee not only has a great pressure of other work, but that we are in the midst of certain religious holidays here and also in view of the fact that this subcommittee faces a most difficult fight on the floor for its continued existence in the forthcoming week.

Mr. KUYKENDALL. Mr. Chairman, will you yield?

Mr. DINGELL. I will certainly yield.

Mr. KUYKENDALL. I thank you very much for reminding everyone involved about that struggle.

Mr. MATSUNAGA. If the gentleman will yield, I here now commit my support to the gentleman's committee.

Mr. KUYKENDALL. Mr. Chairman, let the record show that the morning has been well spent.

Mr. DINGELL. As you know, neither this subcommittee nor has this member nor has my good friend and colleague, Mr. Kuykendall, nor have you, Mr. Matsunaga or Mrs. Mink ever established quid pro quos on legislative action. These measures have always stood on their merits.

We will in the forthcoming week be desperately in need of all the friendship and help we can procure. We certainly will keenly appreciate the help of a man of your stature.

Mr. MATSUNAGA. If the gentleman will yield, I am only being consistent with the action I took in the caucus.

Mr. DINGELL. The Chair recalls that. This hearing does reflect, I hope, and I hope everybody in this room recognizes it, the highest regard that this committee, its chairman, who is presently engaged in a most difficult campaign elsewhere, our overall chairman, Mr. Staggers, have for you, Mr. Matsunaga, and for you, Mrs. Mink.

We certainly will consider very carefully your comments as we go forward in consideration of this legislation.

The subcommittee stands adjourned.

[The following statements and letters were received for the record:]

STATEMENT OF JOHN A. BURNS, GOVERNOR, STATE OF HAWAII

H.R. 7189, a bill to amend Title II of the Railway Labor Act to provide for the normal flow of commerce between Hawaii and the West Coast, exempts Hawaii for 160 days from West Coast shipping tie-ups.

Hawaii has too frequently been an innocent third-party victim of disruptions in maritime interstate commerce. During the past two years, Hawaii has suffered

through 176 days of interruptions in shipping service. This is akin to having the city of Washington totally barricaded for 176 days.

With the exception of a two-day local dispute, these interruptions were entirely outside of Hawaii's jurisdiction. Shipping to Hawaii was curtailed by longshore and maritime disputes on the Mainland. Needless to say, such interruptions have had an adverse effect on our total economy. It is ironic that such interruptions do not affect the Mainland states as they do Hawaii, which depends so heavily on ocean shipping for our people's basic needs. This is not to overlook the economic effects on the export businesses on the Mainland, including the inland farmers who need to have their products moved to overseas consumers to continue viable operations. The important point is that basic Mainland supplies to Hawaii are cut off whenever a maritime dispute occurs on the West Coast.

H.R. 7189, if it does not tread on the principle of free collective bargaining or violate existing and effective concepts embodied in federal laws relating to maritime commerce, can insure the maintenance of normal supply lines to Hawaii while providing additional time necessary for the settlement of any future disputes.

It is respectfully suggested that the Subcommittee on Transportation and Aeronautics consider, at this time, a comprehensive study leading to a more permanent solution to the Nation's total transportation problems.

Our Nation has faced recurrent interruptions in all our major modes of transportation—in ocean, air and overland transportation systems. The consumers, the citizens of this Nation, have been the victims in all these interruptions. Our citizens should have the benefit of greater reliability and efficiency in our transportation networks.

Perhaps the time has come for more serious consideration of alternatives that have been accepted—and effectively implemented—by other countries. It is suggested that initiatives be taken for the ultimate nationalization of our basic transportation systems. It is recognized that the federalization of our major networks in ocean shipping, airlines and railroads raises myriad and complex problems. On the other hand, federal regulation of these industries has not led to the dependability and efficiency that our citizens desire and deserve. We cannot continue to ignore the need for drastic changes that must be initiated now if we are to effectively meet our needs tomorrow.

In addition to immediate consideration of H.R. 7189, we therefore urge a more comprehensive and long-term approach to our country's total transportation needs for the future.

The Nation, as well as Hawaii, can best be served by Congressional initiative in this vital national problem.

THE SENATE,
STATE OF HAWAII,
June 4, 1973.

HON. SPARK M. MATSUNAGA,
House of Representatives,
Washington, D.C.

DEAR SPARK: Thank you for your message inviting me to testify before the Subcommittee on Transportation and Aeronautics of the House Committee on Interstate and Foreign Commerce relative to H.R. 7189.

As you know, all of us in Hawaii have been concerned with the problems caused our people by interruptions in shipping service to and from Hawaii.

Last November I outlined what I thought was a sensible approach to resolving this problem. Basically, it involved getting all of the unions and managements concerned with maritime activity to sit down together and work out an approach or approaches for handling labor management disputes in the maritime industry which would virtually eliminate interruptions in shipping.

Subsequent to this, I spent several days in Washington, Detroit, and San Francisco discussing this approach with high-level representatives of labor and management. As a result of these meetings, I was invited to present the problem to the annual Executive Board meeting of the Maritime Trades Department, AFL-CIO. This was accomplished and a presentation made to the Executive Board on February 16, 1973 in Miami, Florida. During the presentation I asked that the MTD take the lead in calling a meeting for this purpose. Mr. Paul Hall, president of the Maritime Trades Department, promised his full cooperation.

On Friday, May 25, 1973, a meeting was held in San Francisco with high-level union officials to further discuss a resolution of the problem. Mr. Paul Hall, president of the MTD, presided at the meeting. The meeting was actually put together by Mr. Morris Weisburger, vice president of the SIU.

The meeting was historic in that it was the first time many of these union officials had sat down together in many years. It was historic because every union connected with shipping, both shore-side and off-shore, were in attendance.

Being the first meeting, no one was asked to make a firm commitment. However, the discussion clearly indicated some areas around which a solution could be fashioned. There appeared to be general agreement that collective bargaining for the entire West Coast, Hawaii, and Alaska should take place at the same time. They seemed to feel that longer term contracts with common expiration dates were desirable and that those contracts contain some type of mediation-arbitration or arbitration clauses.

An ad hoc committee was established with Mr. Morris Weisburger as chairman, to carry on future discussions regarding the problem of shipping interruptions. It was suggested that the next immediate step would be to call together the representatives of the managements concerned to discuss with them the ideas put forth in the San Francisco meeting. I will proceed to do this in the next several days.

It might be advantageous if during the course of the hearings on H.R. 7189 the witnesses were asked their attitude toward the suggestions outlined above.

Please have this communication entered in the official record of the proceedings of the subcommittee on H.R. 7189.

Thank you.

Sincerely,

DAVID C. MCCLUNG,
President.

STATEMENT ON BEHALF OF HON. CARLOS G. CAMACHO, GOVERNOR OF GUAM

Mr. Chairman and members of the subcommittee, this statement is submitted in support of H.R. 7189 on behalf of the Honorable Carlos G. Camacho, Governor of Guam.

U.S. flag ocean transportation is Guam's lifeline. More distant from the West Coast of the United States than Japan, Guam is the most distant Territory of the United States. Guam is American in every sense. Its people pride themselves upon their status as American citizens. Their interests are inextricably linked with those of the residents of mainland United States and of the residents of the offshore State and the other offshore Territories.

In common with the people of Hawaii and the Western Islands, the people of Guam are overwhelmingly dependent for their economic well-being upon uninterrupted ocean transportation of goods from the West Coast of the United States. In addition, a significant part of the economic activity on Guam is tied to the exportation of merchandise and property to the United States. An important part of the economic activity which provides employment for the people of Guam is based upon the major function of the Commercial Port of Guam in serving as a transshipment point for goods from mainland United States and from Hawaii destined to the Trust Territory of the Pacific Islands.

Statistics for the most recent fiscal years where the flow of commerce was not significantly interrupted by West Coast longshoremen's strikes or shipboard union strikes are for 1970 and 1971. According to the international trade statistics maintained by the Economic Research Center of the Department of Commerce, Government of Guam, in fiscal year 1970, 85% of all ocean cargoes arriving at Guam originated in the United States and were transported to Guam by U.S. flag carriers. In 1971, the comparable figure was 60%.

With such a high proportion of the goods essential to Guam's economic activity and the well-being of its citizens flowing through the U.S. flag carriers' ocean transportation lifeline to Guam, the interruption of that supply for long periods causes great hardship upon our people and severe damage to our economy. The West Coast shipyard strikes in 1946, 1948, and 1971-1972, and the West Coast shipboard union strikes in 1948, 1952, 1962, and 1972 made every resident of Guam acutely aware of the fact that they are almost totally dependent upon mainland United States and Hawaii for the goods and materials essential to their daily life and to the economic functioning of the Territory.

Guam's citizens do not significantly participate in the employment provided longshoremen on the West Coast of the United States nor that provided seamen on U.S. flag vessels plying between the West Coast of the United States and Guam. Nor are the U.S. steamship companies who serve Guam based upon Guam, nor substantially staffed in their executive offices by citizens of Guam. Accordingly, the people of Guam have no direct participation in the decisions which result in longshoremen or seamen strikes. The people of Guam have no partisan position on the side of either the labor or management interests which become

involved in these disputes. Guam suffers as a people and as a Territory from these prolonged work stoppages.

As Governor of a Territory whose people are loyal to the United States and whose economic status makes it necessary for them to struggle to surmount the economic handicaps which inhere in their distant location from the United States, the Governor of Guam has compassion for the economic interests of the laboring men who depend for employment as longshoremen or as seamen upon the U.S. maritime industries based upon the West Coast of the United States. The Governor notes with approval the following statement in the testimony presented in connection with this legislation by the AFL-CIO Maritime Trades Department:¹

"The geographic isolation of Hawaii and the other noncontiguous states [and territories], coupled with their almost total dependence on ocean transportation, has made these areas particularly susceptible to economic and physical suffering as the result of maritime work stoppages. Indeed, commerce to these areas has been disrupted on occasion by maritime strikes of some length.

"These stoppages have had a disproportionate effect on the economies of the noncontiguous states and territories, resulting in a desire by these states for special legislation, such as we are discussing today, to eliminate the threat of maritime strikes." [Matter enclosed in bracket supplied as an obviously unintended omission.]

For the reasons so eloquently stated by the AFL-CIO group, Guam has participated with intense interest in the efforts which have been made by the Governors of Hawaii and the Western Pacific Territories, by the State and Territorial Legislatures, and by the members of Congress from the affected areas to contribute to the search which the affected labor and management groups themselves have devoted to the achievement of an enduring *modus vivendi* which would avoid in the future severing the vital lifeline between the continental United States and the Western Pacific Territories and Hawaii.

The Governor of Guam does not pose as a labor-management relations expert. Instead, his continued preoccupation with the welfare of the people of Guam under these circumstances makes him an expert upon the grave cost to the people of the Territory occasioned by work stoppages of either longshoremen or seamen which interrupt the movement of ocean cargoes between the West Coast of the United States and Guam. At all costs a solution must be found to these work stoppages.

Without wishing in any way to take sides between labor and management or to give support to legislation which would cripple organized labor in the pursuit of its legitimate objectives, the Governor of Guam has concluded that support of H.R. 7189 is appropriate. It is the belief and understanding that the proportion of the oceangoing commerce which would be affected by the issuance of an injunction under the provisions of the proposed legislation to preclude an interruption of normal shipping between the West Coast of the United States and Guam, the other Western Pacific Territories, and Hawaii is so small (less than 10%) in relation to the total amount of commerce that would be the subject of such a strike that the legitimate interests of the longshoremen and the seamen participating in such strike would not be significantly and adversely affected in their quest for a resolution of their grievances through the use of the strike as a means of getting the earnest attention of management to their grievances.

Accordingly, after great deliberation, the Governor has concluded that the critical position, especially of the people of Guam, at the end of America's ocean shipping lifeline, gives him no choice but firmly to support the enactment of the pending legislation.

If the Committee desires to have a presentation of detailed economic data to support the position expressed in this statement, the Governor would be pleased to respond to a Committee request for such supporting data. He believes, however, that the facts referred to in this testimony are so well understood by the cognizant Committees and by the Congress that such a marshaling of data is unnecessary in conjunction with this statement.

On behalf of the people of Guam, the Governor wishes to thank the Committee for its initiative in scheduling legislative attention to H.R. 7189 and to express his appreciation to the sponsors of the legislation for their initiative in introducing the legislation and pressing for its prompt consideration. The termination of the existing longshore contracts on the West Coast on June 30, 1973, and the uncertainty concerning the outcome of current negotiations between labor and management with respect to a renewal of such contracts give the Committee's initiative a special urgency.

¹ Statement of the AFL-CIO Maritime Trades Department to the Merchant Marine Subcommittee of the Committee on Commerce of the U.S. Senate on S. 1566, June 6, 1973, p. 3.

The Governor wishes to express his appreciation to the Committee on behalf of the people of Guam for the consideration which it gives these views.

Submitted on behalf of the Governor of Guam by:

EUGENE L. STEWART, Esq.,
Special Counsel for the Governor of Guam.

STATEMENT OF ROBERT R. GRUNSKY, PRESIDENT, HAWAII
 EMPLOYERS COUNCIL

My name is Robert R. Gruusky and I am president of the Hawaii Employers Council. The Council is made up of 650 members in Hawaii and the Territory of Guam covering the entire spectrum of business activity in these islands. The Council provides the forum for industry in industrial relations matters. This statement is submitted on behalf of the Council members.

The Council strongly endorses and supports H.R. 7189 and urges its passage by the Congress of the United States.

We have testified during the hearings of the Senate Merchant Marine Subcommittee held in Honolulu on January 19, 1972, on the impact of shipping strikes on business, costs, and on employee layoffs. Therefore, we do not intend to present testimony at this hearing on the need for protection for Hawaii and Guam from the crippling effects of shipping strikes, but request that our testimony before the Senate Merchant Marine Subcommittee, referred to above and attached hereto, be incorporated as part of our testimony in support of H.R. 7189. We also endorse and support the evidence of the need for legislative relief set forth in the booklet put out by the research department of the First Hawaiian Bank entitled, "Hawaii, the Most Vulnerable State in the Union."

The Council in its position as a labor relations expert representing employers in collective bargaining will confine its testimony to the questions:

(1) Will H.R. 7189 create undue interference with collective bargaining rights of the parties?

(2) Is H.R. 7189 anti-union legislation?

Admittedly, we are not one of the parties directly affected by this proposed bill so our testimony can only be viewed as expert opinion. We do, however, deal with one of the major unions, the ILWU, for the stevedoring operations in Hawaii. Any time some employees are working or some employers are not shut down by a strike, there is an impact at the negotiating table and some stresses occur on both parties.

The question is would this create undue interference with the collective bargaining rights of the parties or unduly impede or block the collective bargaining process or the right to strike. We contend it would not.

Only 3%¹ of the total longshore man-hours in West Coast ports are devoted to handling commodities bound to or from Hawaii. Of the total man-days worked by seagoing personnel on U.S. flagships out of West Coast ports, only 7.3%¹ are worked in the Hawaii trade.

It should be noted that in the recent 1971-72 longshore strike and generally in all previous shipping strikes, the parties have continued to supply military cargo to Hawaii and Guam. This has been a substantial amount of freight, so the actual impact of H.R. 7189 on the collective bargaining situation is much less than the 3% of longshore man-hours and 7.3% of seagoing man-days because of the past practice of continuing shipments of military cargo.

If a shipping strike situation affecting Hawaii or Guam should develop during time of peace, a very sensitive situation could develop between the civilian community and the military should the union grant any special favors of supply to the military. H.R. 7189 would practically eliminate this problem.

There can be no question that this is a de minimis situation as far as impact on negotiations between the employers and the unions on the West Coast is concerned. We, therefore, contend that H.R. 7189 in no way creates any undue interference with the collective bargaining rights of the parties because:

(1) Hawaii and Guam shipping traffic is de minimis in terms of over-all West Coast shipping traffic.

(2) The 160-day strike exemption would merely constitute an extension of the historical practice of continuing freight service during strikes to the military of Hawaii and Guam in time of war.

(3) "Partial operations" which this bill provides is an alternative under the present Taft-Hartley emergency strike procedures.

¹ See page 35 of "Hawaii, the Most Vulnerable State in the Union," by First Hawaiian Bank, Honolulu, Hawaii.

Is H.R. 7189 anti-union legislation? It is our considered opinion that H.R. 7189 cannot be attacked with any validity as being anti-union legislation. It does not eliminate totally the right to strike. It merely delays it in the same fashion as is provided by the 80-day injunction under the emergency strike procedures of the Taft-Hartley Act. It does not provide for any compulsory arbitration, fact finding or other devices to interfere with the rights of the parties to determine their wages, hours and working conditions.

We will not deny that it has some impact on the collective bargaining situation, but again must point out that this impact is small. We contend, therefore, that there can be no just case built on the contention that H.R. 7189 is anti-union legislation.

As stated previously, there is no question but that H.R. 7189 will have some impact on collective bargaining between the parties. There is also no question but that a shipping strike seriously affects 800,000 people of Hawaii and the Territory of Guam and the Trust Territories. It is our contention that the third party interests in this matter heavily outweigh the de minimis impact on the collective bargaining interests of the parties and that legislative justice dictates the relief from shipping strikes that H.R. 7189 provides for Hawaii, Guam and the Trust Territories.

**TESTIMONY OF ROBERT R. GRUNSKY, PRESIDENT, HAWAII EMPLOYERS COUNCIL
BEFORE THE MERCHANT MARINE SUBCOMMITTEE, SENATE COMMERCE COMMITTEE—
JANUARY 1942**

I am Robert R. Grunsky, president of the Hawaii Employers Council. There are over 600 member companies of the Hawaii Employers Council, large and small, covering almost the entire range of business and industrial activity in the State of Hawaii and the Territory of Guam. It is principally through this wide association that our business communities have maintained a sharp focus on industrial relations and labor-management practices which promote sound business climate, encourage economic development and improve the business outlook for the future.

During these hearings, you have already heard from several industry and business leaders who have given you detailed and specific testimony on the impact of the current West Coast dock strike on the economic health of Hawaii. Whenever Hawaii has experienced a shipping interruption, there has been a marked effect on construction, employment and unemployment, personal income, retail trade, tourist arrival, price increases and business failures. I have submitted to your Committee a review of the economic impact of a shipping strike on Hawaii. We prepared this research material back in June 1969 at the request of the Department of Labor in anticipation of a possible strike by the seagoing unions. The findings in that review were substantiated in the current situation. The review also includes a summary of the economic impact felt by Hawaii in the 1949 and 1952 shipping interruptions. The general impact is as follows:

1. Layoffs started within 15 to 30 days after the start of the strike.
2. Inventories were quickly depleted with certain items in short supply within 30 to 45 days.
3. Additional warehouse storage area was required by sugar and pineapple since they could not ship bulk sugar and canned pineapple to the West Coast. It also meant a loss in marketing of these products.
4. The consumers price index increased.
5. Retailers felt the impact in declining sales.

I now would like to comment on the labor relations aspect of such stoppages and the impact of Senate Bill 2836 on labor relations.

With the exception of the 177-day strike of the Hawaii dock workers in 1949, all other major interruptions in shipping in Hawaii occurred as a result of a labor dispute outside of Hawaii. No other state in the nation is so uniquely vulnerable to a shipping tie-up as Hawaii because of its complete dependence on shipping for the importation and exportation of goods. While giant strides have been made in air freight, the bulky, heavy equipment and supplies cannot be flown in on an economical basis. The tonnage capacity of a single ship per voyage (at least 15,000 tons on a container ship) cannot be matched by the airlines.

It is the combination of circumstances of dependence on shipping for the smooth running of our economy and the occurrence of a labor dispute in which Hawaii is an innocent third party which makes us an extremely interested party to the various bills which have been proposed in Congress to prevent this kind of a shipping interruption.

We have been told by various officials that Hawaii's situation while "unfortunate" does not constitute a threat to the health and welfare of the nation and therefore does not constitute an emergency under the Taft-Hartley law. Events bear this out in the present situation in that the emergency provisions were not invoked in the West Coast dock strike until after the East and Gulf Coast longshoremen walked out.

It is apparent, therefore, that if Hawaii is to receive any relief, we must look to changes in the present legislation or to new legislation. Senate Bill 2836 would specifically help Hawaii, provided it is practical and workable, and I would like to address some comments to areas in the proposed bill which appear to present problems from the practical standpoint.

1. *Availability of ships.*—Although I do not have specific figures on the number of military cargo vessels available, it is my understanding that the military uses private bottoms for most of its supplies. In the event of a strike by the offshore unions who man the ships, there would probably be no American vessels which would not be involved in the labor dispute available for charter by the government. It would appear to be necessary if any practical amount of shipping was to be provided to make provision that the Jones Act be temporarily waived in the case of supplying Hawaii so that the government might charter foreign bottoms for the duration of the emergency.

Another avenue which is a possible source would be the use of Army tugs to haul barges which would certainly be of help to the construction industry as these barges could supply lumber and other construction material to keep this vital industry moving.

2. *Manning.*—The problem of loading and unloading these chartered vessels with men other than stevedores, should the stevedoring unions be involved, could present a problem. Much of the equipment today is mechanized and requires certain skills. I would urge the Committee to take the opportunity to view the Matson or Seatrain operations while they are here in Hawaii and see how mechanized the stevedoring operations have become.

3. *Timing.*—While Senate Bill 2836 does not go into effect until after 30 days of a work stoppage, in my opinion, it is too long because of the time required in chartering the ships, organizing the manning for loading and unloading, setting up freight billing and handling arrangements. It would most likely take up to 60 days before emergency shipping could start, and as pointed out in previous testimony, the impact on supplies in Hawaii would begin to be serious by the 60th day.

4. *Labor Relations Impact.*—The thrust of this bill is to isolate the parties, limit the economic warfare primarily to the parties involved in the dispute and to minimize the impact on third parties—the public and others who have no direct control over the labor relations problem. Undoubtedly, the unions will oppose this because it would minimize their power, limit the economic impact and therefore reduce their power in their opinion. However, I would like to point out that this bill, if passed, would not completely remove pressures on the parties from outside sources.

(a) Normal shipping supply lines would be broken causing tremendous inventory problems, increasing costs and limiting availability of supply to business and industry in Hawaii during the strike. They would not be at all content with the emergency shipping provisions of Senate Bill 2836 and would continue to bring pressure on the companies to settle their dispute.

(b) The shipping companies who hire the stevedores would be unhappy as their revenue would be diverted to either the government or foreign bottoms if the Jones Act were waived and they would continue to pressure for settlement.

(c) There would undoubtedly be increased costs from this method of freight handling, and food costs in Hawaii which are dependent on mainland supply would be increased so the public would not be entirely satisfied, but the main benefit which Senate Bill 2836 would provide, in my opinion, would be (1) to eliminate any critical shortage and (2) bring great pressure on the parties involved in the maritime industry in Hawaii to settle their differences without resorting to a strike.

I appreciate the opportunity given me to testify before this Committee.
Thank you very much.

• • •

THE IMPACT OF SHIPPING INTERRUPTIONS ON HAWAII

No other state (except Alaska) must depend almost completely on a single mode of transportation—shipping—for movement of its goods and supplies. In

the other states, even if a major transportation strike occurs, supplies keep moving by alternate methods of transportation. For example, if railroads are struck, barges, coast-wide shipping and trucks are available.

Any interruption of shipping or a threat of an interruption has impact on Hawaii's economy. Because of the great concern about shipping stoppages over the years, reports and studies have been drawn up to high-light Hawaii's vulnerability to shipping strikes. In reviewing these reports and checking the present situation, we find that:

1. The economic effects of shipping strikes on Hawaii are grave. A review of certain economic indicators during the 1949 and 1952 stoppages shows that consumer's price index increased more than on the mainland, that the volume of retail trade and the volume of building and construction declined and were well below that of the mainland, that unemployment increased during this period, that total personal income declined and that the number of tourists arriving in Hawaii during the strike period was well below the expected numbers.

2. No one will go hungry because of a shipping strike; and the Governor has power to use emergency shipping for critical commodities.

3. Stockpiling as a hedge against maritime strike is not feasible. A special study of stockpiling as an answer to shipping interruptions points out that businessmen in Hawaii already have excessive inventories, many times, one to two months more inventory than is normal business practice on the mainland. It is also impossible to stockpile certain perishable and semiperishable items for too long a period. Therefore, stockpiling is already common practice and further increases in inventory as a hedge is not feasible.

4. Approximately 1.7 million tons of cargo (excluding petroleum) is brought into Hawaii by ship and of this total 87% is brought in on U.S. flag lines. A stoppage involving U.S. ships therefore has great impact. A current review of available air freight cargo space shows that only 1,015 tons can be used for additional cargo per week on all lines—scheduled domestic, military contract and foreign.

It would take a full month's usage of total cargo capacity on all lines to equal the carrying capacity of one ship. Even then, some heavier, bulky items could not be moved by air freight.

5. The current situation seems to be that while certain items will become critically short within a week to two weeks, inventories in general will be adequate for about 30 to 45 days. We find also that this threat of an interruption of shipping coming on the heels of the adverse situation created by the West Coast container boycott earlier this year already has created impact on the Hawaii economy. Also, although a maritime strike may be averted, or be short-lived, the impact created through business community's attempt to hedge against possible stoppage will be reflected in the cost structure.

Details of the various reports and information gathered are contained in the following sections:

- I. Economic Effects of Shipping Strikes on Hawaii.
- II. Emergency Relief Shipments and Stockpiling.
- III. Surface Cargo Shipments and Cargo Carrying Potential of Airlines Serving Hawaii.
- IV. Assessment of the Present Situation.

I

ECONOMIC EFFECTS OF SHIPPING STRIKES ON HAWAII

Over the years, Hawaii has been in the position of having its shipping lines interrupted. The chaotic effects in Hawaii, when its supply lines with the mainland United States are cut, are difficult for a non-resident of Hawaii to visualize, for no similar situation has arisen, or would be allowed to exist on the mainland.

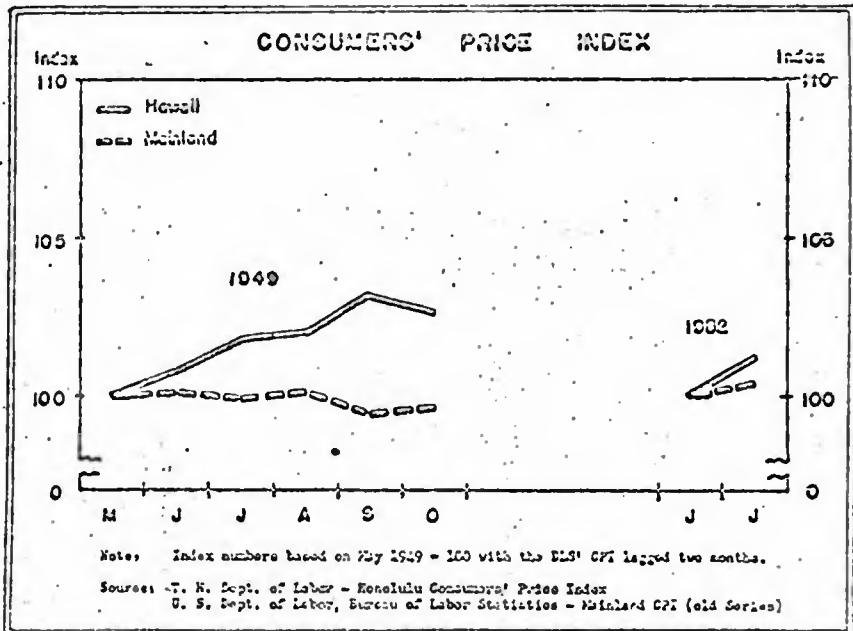
A shipping or longshore strike that interrupts transportation between Hawaii and the mainland creates a far greater economic impact on the State than does a "national emergency strike" on the mainland.

The degree of economic impact of a major mainland strike results from the number and extent of specific effects. When a strike is of such proportion and duration as to merit the designation of a national emergency strike, the impact of these specific effects is great. Hawaii's economy is so sensitive to shipping interruptions that the impact is almost immediately felt by every citizen in the State.

The following review was developed by Dr. Thomas K. Hitch for the Chamber of Commerce in 1955 and it outlines some of the economic impact of a shipping strike. Dr. Hitch is Vice President of Economic Research at the First Hawaiian Bank.

STATISTICAL COMPARISONS PROVE EFFECT

The following charts and tables show the magnitude of this generalized impact. They show, for Hawaii and the mainland, the trend in consumer prices, retail trade, unemployment, dollar volume of building and construction and total personal income for 2 periods when Hawaii was cut off from the mainland by strike action: the period May-October, 1949, when a stevedoring strike was in process in Hawaii and the period June-July, 1952, when the Pacific maritime strike was in process. In addition, Hawaii data on number of tourists are shown.



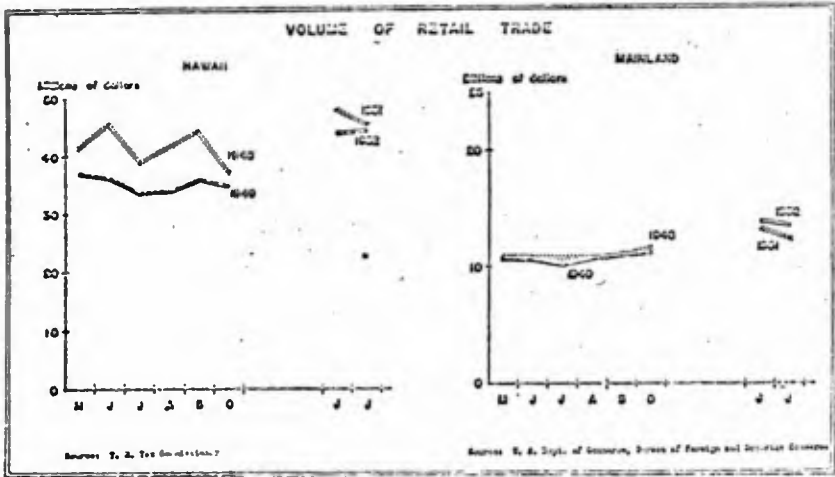


CHART II

Comparing May-October, 1949, with May-October, 1948 on the mainland, we find no change in the dollar volume of retail trade. Other things being equal, we would expect no change in Hawaii but presumably because of the strike the 1949 volume of trade here was in the vicinity of \$35 million per month in comparison to the 1948 average of around \$40 million—a 12½% drop. Similarly, in June-July, 1952, compared to June-July, 1951, we find the same thing. Whereas mainland trade was up appreciably in 1952 over 1951, Hawaii trade was down appreciably.

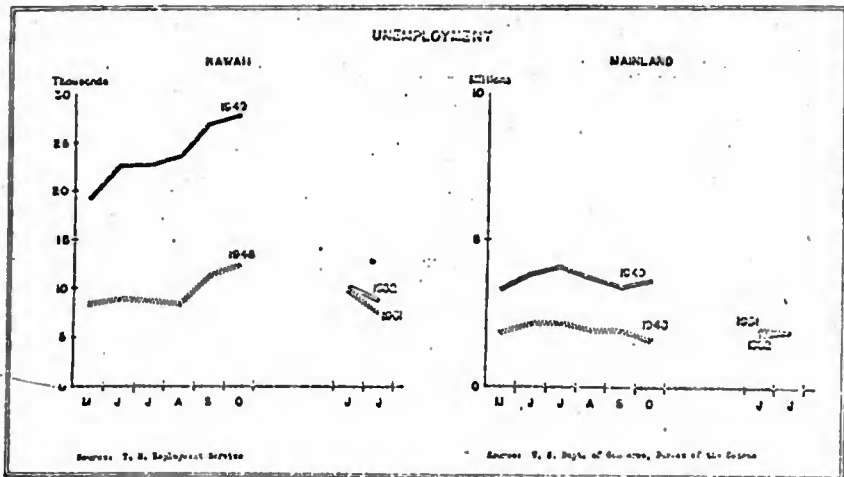


CHART III

On the mainland, unemployment was slightly higher in May-October, 1949 than in May-October, 1948. The rise in unemployment in Hawaii was great, from around 10,000 to nearly 30,000, the highest level in Hawaii's history. In the June-July, 1952 period, while unemployment on the mainland was below the same 1941 period, in Hawaii it was above the same 1951 period.

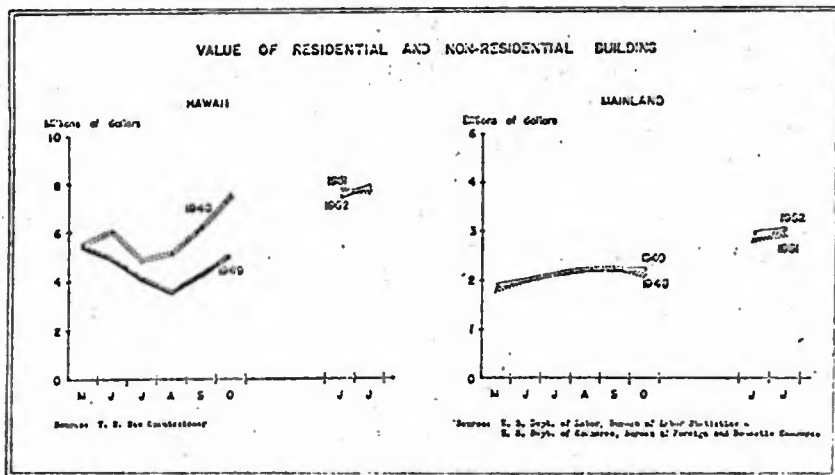


CHART IV

Whereas the level of construction was essentially the same in 1948 and 1949 (May-October) on the mainland, during this strike period in Hawaii it declined precipitously during the first four months of the strike and then recovered somewhat as a trickle of essential materials came in. But even this recovery left the volume of construction activity at the end of the period as only some two-thirds of the same period in the prior years.

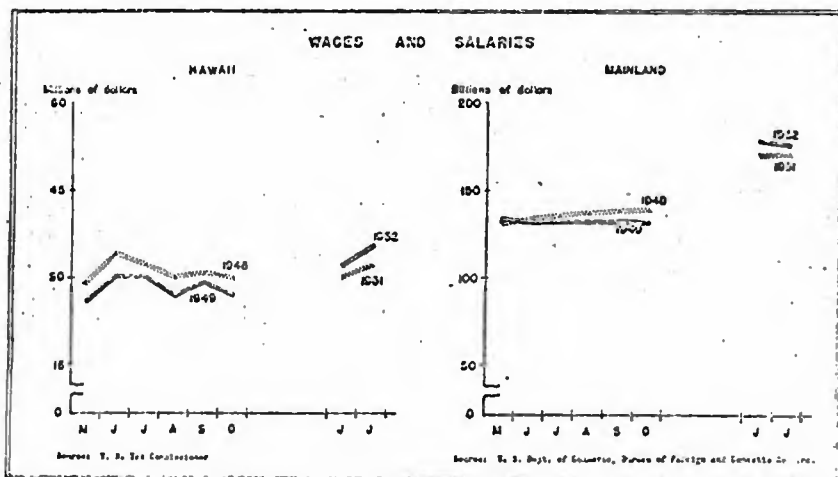


CHART V

Whereas the rise on the mainland was great during both these periods, the decline in Hawaii was such as to constitute a serious encroachment on the standard of living of the residents. A 9% decline in income with a 3% increase in prices, when income should have risen by 4-5% and prices should have fallen slightly is a striking measure of the diverse trends in Hawaii and the mainland during the 1949 waterfront strike.

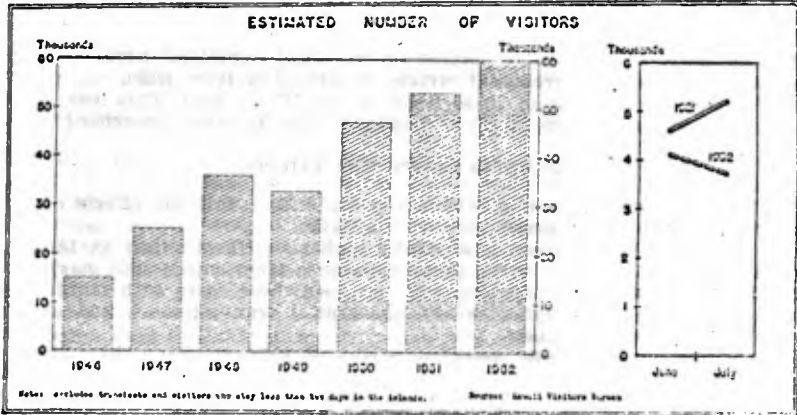


CHART VI

Based on fairly steady post-World War II trends, 1949 should have been a growing year for the tourist industry, but it turned out to be the only year of decline since World War II. Similarly, while 1952 was a bigger year than 1951, June and July were below the June and July 1951 totals.

LOSS OF MARKETS

Markets for many millions of dollars worth of Hawaii's basic products have been lost as a result of shipping interruptions.

It must be emphasized that Hawaii is vulnerable to transportation disruptions, not only because of its geographical location but also because of the very nature of the goods and services it can produce.

The basis of Hawaii's economy is sugar, valued at approximately \$140,000,000; pineapple, approximately \$100,000,000; services to tourists, approximately \$50,000,000, and income from expenditures of military forces, approximately \$270,000,000. (Note: These data are for 1954 and have not been updated.)

Domestic sugar producers, including Hawaii, are protected by marketing quotas. But there is a world surplus of sugar, and when Hawaiian sugar cannot be delivered, consumers promptly receive and consume other sugar. Hawaii's normal market is the western states but when requirements in that market must be met from other areas, Hawaiian sugar, finally coming to market after a shipping stoppage, must be sent at great cost to far more distant areas. A permanent loss of markets has frequently resulted when consumers, especially commercial consumers, have consistently been unable to get Hawaiian cane sugar.

While Hawaii once produced virtually all of continental United States' supply of canned pineapple and pineapple products, production has been increasing elsewhere, and Hawaii now supplies only about 75%.

Furthermore, pineapple, while now a common staple of diet, is not a necessity and competes with a wide and expanding range of fruit products. When the consumers cannot get Hawaiian pineapple, other pineapple or other fruits are consumed.

The same example applies to tourism. When tourists are discouraged from making trips to Hawaii, they have a wide choice of other areas to visit, and the business which might have come to Hawaii is gone. News of shipping strikes,

although airlines continue to function, brings prompt and extensive cancellations of tourists' reservations for Hawaii.

Purchase of goods by the military forces stationed in Hawaii approximate \$3,000,000 (1954 data) annually. This supply function is a substantial portion of the distributive commerce of Hawaii, with more than 800 individual firms participating in its development. Primary obstacle to increased local procurement is the fear of military commanders that local suppliers will be unable to carry out their contracts due to unreliable commercial shipping. Since the military operates its own shipping service (MSTS) local suppliers are bypassed in favor of West Coast suppliers.

Furthermore, a substantial portion of the local suppliers' normal military market is lost due to threats of strikes or actual strikes, when the military transfers its procurement of these items to the West Coast. This loss of business also represents a loss of these cargoes to the American merchant marine.

BUSINESS LOSSES AND FAILURES

All business firms operating within the State have felt the effects of maritime strikes and the ever present threat of a strike.

The cost of doing business is normally higher in Hawaii than in the continental United States, due to the greater distance from supply and market centers. However, unreliable shipping has increased these costs with requirements for larger protective inventories and substantial transshipment and shortage costs for strike bound cargoes.

During the 63-day Pacific maritime strike of 1952, the Hawaiian sugar industry estimated direct increased costs, through such factors as emergency storage and refinery shutdown, at \$1,785,000. This is, of course, a small part of the total indirect cost through loss of markets, employment and other factors.

Dairy, hog and poultry farmers have suffered severely from feed shortages and have been forced to kill off part of their livestock. Both large and small farming have been hard hit by recurrent insecticide and fertilizer shortages.

Many small business failures in Hawaii can be directly attributed to shipping stoppages. Unable to secure inventories, and with working capital depleted, these firms have been forced out of business.

These and other adverse effects on business enterprises, resulting partially from the unreliability of shipping, have contributed to low corporate income in Hawaii, a decline in local stock transactions, the tightening of bank credit, a shortage in venture capital and a moderate out migration in post-war population.

EFFECTS OF THREATENED STRIKES ALSO SEVERE

The effect of strikes is clearly set forth in "The Economy of Hawaii in 1947"¹ as follows:

"The economy of Hawaii is much more susceptible to . . . 'shipping stoppages' than a mainland community of similar size would be. The extreme vulnerability of the island economy was clearly demonstrated in the spring of 1947 when . . . a shipping strike (was threatened) in June. As early as April, business firms began to cancel their advance orders for merchandise from the mainland. This was due to the fact that, during the strike in the autumn of 1946, merchandise delivered to West Coast docks for shipment to Hawaii remained there during the strike while the purchasers were billed for the invoiced goods which they could not sell. New business firms and small firms could not afford to pay for merchandise not actually in physical inventory and, rather than run the risk of bankruptcy, they cancelled orders. This later resulted in a loss of sales on such merchandise and created shortages of various types of consumer goods in the Territory.

"As soon as the shipping strike was threatened in 1947, practically all of the construction contracts that were in negotiation were postponed and even construction which was to start in April or May was held up because neither the owner nor the contractor wished to assume the risk of starting projects when there was no reasonable assurance that the materials for completing them could be obtained.

¹ Extract from "The Economy of Hawaii in 1947," by James H. Shoemaker; pp 186. Bulletin No. 926 U.S. Department of Labor, transmitted to Congress Jan. 29, 1948.

"These developments, in turn, affected employment and, in a number of ways, affected both wholesale and retail trade. It is significant that the banks tightened credit throughout the Territory as soon as the possibility of a strike in June became known.

"In the end the strike did not materialize, but the fact that even the threat of such a strike was so serious that its effect reached beyond shipping and stevedoring into financial, industrial and trading enterprises throughout the Territory clearly indicates the . . . 'predicament' . . . in Hawaii".

II

EMERGENCY RELIEF SHIPMENTS AND STOCKPILING

In the past, provisions for emergency relief shipments were made during four of the longest strikes (54 days in 1947, 96 days in 1948, 177 days in 1949, and 63 days in 1952). The last time that federally-owned and operated ships were used to bring emergency shipments to Hawaii was during the 63-day PMA-SUP strike (May 25-July 28, 1952). Navy and MSTs ships brought in several full and partial civilian cargoes during that emergency.

The plans which exist today for the administration of the Governor's emergency powers include provisions for obtaining inventories of critical commodities and for allocating space on emergency shipping as it may be made available. These plans, which have not been used in recent years, were administered by an Emergency Food Committee chaired by Edward Doty of the State Civil Defense Agency. The records of this committee demonstrate the pattern of the first shortages which appear in essential foods, pharmaceuticals and animal feeds. They show, however, that no one goes hungry even during a long strike.

Strike effects on inventories and the practicability of stockpiling as a hedge against maritime strikes were studied in 1964 at the University of Hawaii upon direction of the State Legislature. The report, "Stockpiling as a Solution to Shortages from Maritime Strikes affecting Hawaii," was conducted by a Professor of Marketing of the University of Notre Dame. A reprint of the Introduction, Summary and Conclusion of this report is attached.

CHAMBER OF COMMERCE OF HONOLULU,
Honolulu, Hawaii, March 10, 1964.

Memorandum to: Members of the Uninterrupted Shipping Committee.
From: Leonard Withington, Secretary.
Subject: Stockpiling as a solution to Shortages from Maritime Strikes affecting Hawaii.

This study conducted for the Economic Research Center, University of Hawaii, by Dr. E. J. McCarthy of the University of Notre Dame, is pertinent to the interests of this committee. We have reprinted the Introduction, Summary and Conclusion contained in his report and are forwarding you a copy herewith.

It is interesting to note how close Dr. McCarthy's findings are to the long-term recommendations of the Chamber of Commerce of Honolulu, calling for advance planning by the State and Federal Governments which would provide for interim shipping service in the event that normal shipping fails to function.

The Economic Research Center has also released a report, "Another Look at Hawaii's Ocean Transportation Problems", by Dr. Wytze Gorter, Professor of Economics, UCLA, and Visiting Economist, University of Hawaii. We have not reprinted portions of this report which is less pertinent to the specific interests of the Uninterrupted Shipping Committee. However, it does include some reference to, but no new light, on possible results from removal of sabotage laws and the introduction of foreign vessels into the Hawaii-mainland domestic trade.

If you wish to read the full text of either of these reports, a copy may be borrowed from the committee files.

REPRINT OF INTRODUCTION, SUMMARY AND CONCLUSION

"STOCKPILING AS A SOLUTION TO SHORTAGES FROM MARITIME STRIKES AFFECTING HAWAII"

(By E. J. McCarthy, Ph.D., Associate Professor of Marketing Management, University of Notre Dame, with the research assistance of R. Brownell, M.A., Economic Research Center, University of Hawaii, Honolulu, Hawaii, February 1964)

[Reproduced by the Uninterrupted Shipping Committee, Chamber of Commerce of Honolulu—March 1964]

INTRODUCTION

In the early spring of 1962, a survey completed at the request of former Governor Quinn indicated that the people of Hawaii might face severe food shortages because of the maritime strike in progress. Survey results indicated that a two days' supply of rice and a seven days' supply of evaporated milk were in stock in retailers' and wholesalers' facilities and on strike-bound ships in Honolulu Harbor. Other food items were in somewhat better supply but nevertheless the situation appeared grave. (See Appendix III for a complete list of the items inventoried and their status.) The Governor was considering chartering ships to carry critical supplies (in fact the above-mentioned survey included questions which would enable the Governor's office to allocate the available space to normal shippers).

It was in this environment that the Budget Session of the First Legislature of the State of Hawaii passed House Resolution No. 100, which requested an investigation into the cost and feasibility of either a state or privately-operated warehousing system on state lands on Sand Island. (See Appendix I for H.R. No. 100.)

A basic assumption underlies this resolution: That Hawaii is continually and almost completely dependent upon a so-called "floating warehouse" system (and therefore any interruption of shipping or unloading results in a disruption of trade and commerce within the state and a resultant shortage of critical supplies). The "floating warehouse" concept is taken to mean that Hawaiian businessmen maintain little or no extra inventories—relying instead on a continual replenishment of supplies from the mainland.

This study will consider this basic assumption, as its validity has obvious implications. If, in fact, local wholesalers and retailers are using Matson ships as a floating warehouse, then some way may have to be found for increasing stocks or assuring more dependable deliveries.

The major thrust of this study will be concerned with the possibility of a stockpiling solution, if such is necessary. In other words, extensive discussion of other possible solutions, e.g. labor legislation or government intervention, will not be undertaken.

Even before evaluating the "floating warehouse" assumption, we will investigate the impact of maritime strikes on the State of Hawaii. Superficial questioning by the author indicated that no one was really hungry during the 1962 strike. Thus it seems important to determine if there really is a problem or whether public sentiment was unduly aroused about the graveness of the situation.

FINAL EVALUATION OF THE FEASIBILITY OF A STOCKPILING PROGRAM (AN INTEGRATING SUMMARY AND CONCLUSION)

The basic thrust of this study has been to investigate the feasibility of the State of Hawaii encouraging or subsidizing the building of stockpiles as a hedge against the impact of maritime strikes.

Consumers Interested in Stockpiling

The supporters of House Resolution No. 100 correctly read the "pulse" of voters with respect to their interest in assuring adequate food supplies during strikes. Seventy-two per cent of those interviewed in the consumer survey conducted as part of this study thought that it was a good idea for the state to stockpile foods to make sure there would be adequate food supply during any strike.

Consumers Not Interested If Stockpiling Too Costly

When the impact of higher inventory costs on prices was mentioned, however, interest dropped noticeably. In response to the question—"Would you still be interested if it caused a regular 5 per cent increase in your prices?"—only 40 per cent were still interested and only 14 per cent were still interested if it caused a regular 10 per cent increase in their prices. In other words, Hawaiian housewives have a tolerance level—they feel prevention of shortages due to strikes can become too expensive. It seems probable that consumer support for a stockpiling program would dissipate if they knew the present and potential costs of carrying extra inventories and their impact on consumer prices.

Inventories Already Large Where Feasible

House Resolution No. 100 contemplated building stockpiles on the assumption that Hawaiian businesses were using Matson ships as "floating warehouses" and therefore not carrying their own stocks. But as we have seen, a "floating ware-

house" system is not in operation. Irregular shipping schedules and the possibility of strikes discourage complete dependence on a continual flow of supplies from the mainland. Instead, Hawaiian businessmen hedge against possible shortages by maintaining substantial and larger than mainland inventories. In the aggregate, Hawaiian firms maintain excessive inventories by mainland standards—a supply one to two months above mainland inventories.

Even on perishable and semi-perishable items, higher than mainland stocks are maintained. But in the interest of product quality and brand acceptance, there has been a tendency to reduce storage times on semi-perishable staples such as canned milk and rice because their quality does deteriorate with time, especially in Hawaii's semi-tropical climate. In times of strike threats, large stocks are built up even though they may not be desirable from a product quality viewpoint. By extending liberal credit terms to Hawaiian businesses, mainland manufacturers encourage inventory buildups on semi-perishable items—up to 90 or more days supply—sometimes beyond the limit of perishability. This type of buildup in 1962 resulted in some food items having to be destroyed.

Major manufacturers with well known brand names are willing to subsidize the buildup of stocks in order to keep their product in front of the consumer. Brand loyalty frequently follows from consistent and dependable service and high quality. This leads to repeat purchases and this "consumer franchise" is worth a considerable amount to these manufacturers. Some are willing to go to great lengths to protect it. One of the major cereal manufacturers, for example, flew in two plane loads of cereal at a cost of \$30,000 during the 1962 strike, but before the "cooling-off" period (and lost money on every case). During the injunction period this firm brought in an additional two months' supply and placed it in local warehouses. These and similar "old" stocks were still being worked off months later by several firms because the strike was settled at the end of the injunction period.

Higher Inventories Are Costly

The earlier analysis of the cost of carrying inventory indicated that the higher inventories needed to hedge against delivery uncertainties probably add 3 to 5 per cent to retail prices in Hawaii during normal times. In addition, the buildup of inventory before and during strikes can only add additional costs at the rate up to 2 per cent per month of added inventory—probably on an additional one to two months' supply. These added costs, of course, must be passed on to the consumer in higher prices. This is obvious as many wholesalers and retailers operate on a profit of only 1 to 3 per cent of sales and cannot assume any additional cost.

Stockpiling Cannot Keep the Economy Going

The most damaging argument against the stockpiling approach is that not all of the items which are needed to keep an economy going can be stockpiled. A modern economy depends upon the ready availability of literally hundreds of thousands of items at widely varying rates of use. Unless an economy is completely self-sufficient, it must depend upon a continual exchange of commodities with the other parts of the system. To attempt to run any part of an economy without benefit of supplies from the other parts of the system is completely unrealistic. Here, Hawaii is a part of the United States economic system and cannot exist for long without continual interaction with the rest of the system.

Hawaii's insular position and almost complete dependence upon only one method of transportation and predominately one carrier is unique in the United States. All other states have access to several modes of transportation. In the extreme, if all common carriers were tied up with strikes, mainland firms could buy, rent, or lease their own trucks and assure a continual flow of supplies. This option is not open to Hawaiian firms.

Additional Stockpiling Not Feasible or Necessary

It appears that additional stockpiling is not needed at this time. Hawaiian businessmen already maintain large and higher than mainland stocks and are willing to, and do, add to these stocks substantially when they have adequate notice of strikes. In spite of these larger stocks, some items quickly become critically short. These are items which are relatively perishable and which would

become short under almost any stockpiling system. (For some items—the special order, style, and design items—shortages cannot be avoided.)

Unfortunately, in spite of the higher aggregate inventories, some shortages can be expected. Specifically, it should be expected that a "food crisis" will always develop after a strike has progressed for a week or two because of the relatively limited supplies of some perishables and semi-perishables which are carried by Hawaiian businessmen. To be sure, some firms build their stocks when a strike threat looms—perhaps more than they should; but many businessmen probably can be expected to wait until the almost inevitable government intervention—either a Taft-Hartley injunction or use of the Governor's powers—permits the building of inventories, because it is not until this time that the extra cost of carrying additional inventory can be justified. Some expressed their philosophy as follows: "We would rather take a big hurt when necessary than many small ones". In other words, they cannot afford to budge every threat and still hold prices down. Inventory carrying costs are too high. Also, they wish to offer you new, high quality merchandise—not goods which have deteriorated or are almost obsolete.

Some of these perishable, semi-perishable, and special order items which are difficult or impossible to stockpile are critical enough so that some type of government intervention probably can be expected to permit these items to come in. But then where should the line be drawn on what is critical? Further, if some stocks are to be brought in, this would suggest that a patch work solution which stockpiled only less critical items would be pointless and costly. A solution to the problem should provide for a supply of the critical items before handling the less critical ones.

The State could grant a monopoly to someone, or itself, in the distribution of critical items such as rice and canned milk. But then it would have to require all businessmen to come to these warehouses in order to facilitate rotation of "old" merchandise. And if it were to maintain larger inventories than are now voluntarily built at strike times, it would continually have to dump merchandise as it deteriorated. This would add to the already high inventory costs. Further, it would be necessary for the State to continually distribute "old" merchandise which has been stored close to its limit. In other words, Hawaii's residents would always be using "old" rice, canned milk, and other products. And probably, not occasionally, they would purchase spoiled merchandise if the stockpile managers were seeking to maintain maximum protection against strike threats. One way around this problem would be for the Governor to be willing to use his emergency powers to bring in stocks of items such as rice and canned milk just as soon as an emergency seemed to be developing. This, then, would enable the state monopoly to hold down average inventories and only build large stocks when it was obvious they might be needed. But this only stimulates current business practice and does not require a state monopoly. With such a state monopoly, perhaps supplies would be brought in just a little sooner than can be expected with the present business system where businessmen must watch their costs and prices. But this modification of a state monopoly probably would not lead to any different results than the present system if Hawaiian businessmen knew exactly if, when, and how the Governor would use his power to run ships in case of an emergency. These decisions would have to be made to make a state monopoly operable. So, if they can be made, it would seem preferable to modify an existing system which seems to be functioning quite well, rather than to create a whole new system which would yield similar results (and probably at no lower costs).¹

In other words, the stockpile approach suggested in House Resolution No. 100 is considered (1) unfeasible to keep the Hawaiian economy running normally for any length of time, and (2) unnecessary in the short run because Hawaiian businesses are already providing this function about as well as possible, given the inherent perishability of some items and the purchasing behavior of consumers on others, notably on the multitude of items having style, design, color or special order characteristics.

¹ The costs might actually be higher as State officials would not have as much concern with cost. If in doubt, political considerations would probably argue for higher (and therefore most costly) inventories. Also, lack of competition would reduce pressure on cost control.

Other Solutions?

Any suggested solution must take into account the unique insular position of Hawaii. No other state must depend almost completely on one mode of transportation and one carrier. In all other states, even if there is a major transportation strike, supplies keep moving by alternate methods of transportation. For example, if railroads are struck, barges, coastwide shipping, and trucks are available. Given Hawaii's unique situation, it seems inappropriate to attempt to apply mainland collective bargaining procedures and practices and still expect the Islands to run on an even keel when all of its sources of supply are almost completely cut off. As we have seen, a stockpile approach cannot supply all the economy's needs.

One possible solution—which might dramatize and thus lead to more basic changes—would be the creation of a Labor-Management-Consumer Board which would be charged with the responsibility of estimating the likelihood and duration of strikes. It would be expected to make recommendations to the business community on how much additional inventory should be carried. Its recommendations, of course, would be a public announcement that inventories should be increased, that inventory carrying costs will be increased, and that therefore prices will be raised. This approach would dramatize the fact that the whole state—not just Matson and the unions—is affected by strikes.

This suggestion is not endorsed by the author because an extremely difficult task would be imposed upon such a Board. Many of the strikes which affect Hawaii are due to grievances between labor and management groups which are controlled by any Hawaiian interests. National and international unions are faced against a management group—the Pacific Maritime Association—which is concerned with shipping in the whole Pacific area, not just to Hawaii. Further, the approach, like the stockpile approach, does not get at the cause of the problem.

The only real solution the author sees is (1) for the Hawaiian people to recognize that they are in a unique position which calls for measures which might not be necessary on the mainland and (2) to act accordingly. Specifically, they should realize that they are already paying a premium—higher retail prices—for (1) their sanctioning unions' right to strike and (2) the irregular delivery schedules being maintained by Matson. Further, they should realize that building inventories before and during strike threats adds further to costs and prices. With this understanding, they might instruct their representatives to work toward a basic solution to the problem rather than a remedy, which is what stockpiling would be.

A basic solution would entail keeping supplies moving, perhaps with government-chartered vessels in the time of strike threats, or legislation which treated Matson like a public utility and prohibited anyone interrupting shipping. Discussion of these possible solutions is beyond the scope of this study, but some such solution seems the only possibility in the face of this unique situation. The Hawaiian economy is an integral part of the United States economy and cannot sever all connections for long and still remain healthy.

III

SURFACE CARGO SHIPMENTS AND CARGO CARRYING POTENTIAL OF AIRLINES SERVING HAWAII

What is the present level of cargo shipments to Hawaii? How much cargo would be affected by a stoppage of U.S. flag ships? Mr. Wesley H. Hillendahl, Vice President, Bank of Hawaii has made the following summary of cargo shipments to Hawaii showing foreign and U.S. mainland imports.

It is assumed that a stoppage would primarily affect the U.S. flag line's activity between Hawaii and the West Coast including Canada. Presumably, bulk shipments of petroleum products and foreign shipments other than Canadian would not be affected. It is not known if barge shipments (primarily lumber and construction materials from the Northwest) will be affected. Presumably military cargoes would not be affected (roughly a potential total of a tenth of all cargo if they import goods to supply post exchanges).

Assuming 10,000 weight tons to a ship, the effect of a strike is as follows (based on 1967 imports):

1. Food (including some non-food grocery items) amounts to 319,000 tons or about 2.6 shiploads per month. Demand for meats (about one-fourth of a shipload a month) would be reduced if lack of feed caused slaughter of animals, as happened in 1950.

2. Textiles total 5,500 tons a year of which only a thousand tons a year is apparel. Much of the imports could be handled by expansion of the current supply by air.

3. Newsprint and paper (including materials for pineapple cases) total 90,000 tons or nearly one shipload a month and would be badly needed but difficult to supply, from any other source besides the Pacific Northwest.

4. Metals, machinery and vehicles total 221,000 tons or nearly two shiploads a month, of which a major fraction could be supplied from Far East sources. There would be shortages of selected items, some of which would be essential and only some of which could be brought from the mainland by air.

5. Animal feed totals 173,000 tons or one and one-half ship loads a month. If this is stopped, it would necessitate that a major fraction of the chickens, pigs and milk cows would be slaughtered.

6. Construction and related materials total well over 279,000 tons or more than two shiploads a month. Shortages of larger items could possibly bring construction activity to an early stop (as in 1950).

7. Other categories total 191,000 tons or over one and one-half shiploads a month. There are many important items included in this which will be essential, but the total tonnage is not known.

8. Chemicals and fertilizers total 197,000 tons or one and one-half shiploads a month. Most of this is fertilizer and similar materials which can be delayed.

Presently most cargo to neighbor islands is shipped to Honolulu and then transshipped by Matson's inter-island container ship to neighbor islands or carried to neighbor islands by Young Brother's barge line. The neighbor islands would suffer seriously from an interruption of this service, or additional lengthy stops would have to be made by scarce transpacific shipping.

The longer term impact on investment, the visitor industry, attracting workers for the rapidly growing economy, the cost of living, and so on would also be substantial.

[In tons]

| | 1957 Imports | |
|--|-------------------------------|-------------------------------------|
| | Foreign (except Canada) | From U.S. mainland and Canada |
| Animal feed (grain, etc.)..... | 2, 114 | 172, 722 |
| Fresh meat, fish, fruits and vegetables..... | 8, 798 | 75, 177 |
| Processed meat, fish, fruits, vegetables, dairy, flour, rice and miscellaneous food and groceries..... | 14, 090 | 243, 843 |
| Textiles, apparel, etc..... | 2, 360 | 5, 310 |
| Lumber..... | 3, 467 | 158, 434 |
| Furniture and wood manufactures..... | 3, 028 | 32, 161 |
| Various nonmetallic construction products (cement, glass, stone, clay, paints, etc.).... | 67, 260 | 88, 614 |
| Newsprint and paper..... | 651 | 90, 095 |
| Chemicals..... | 2, 068 | 79, 453 |
| Fertilizer and insecticide..... | 31, 601 | 117, 231 |
| Crude oil, jet fuel, fuel oil, gasoline, etc..... | 3, 347, 071 | 1, 950, 665 |
| Iron and steel (including tin plate)..... | 64, 448 | 93, 577 |
| Nonferrous metals..... | 344 | 2, 891 |
| Machinery except motor vehicles..... | 2, 915 | 34, 066 |
| Motor vehicles and parts..... | 7, 428 | 55, 450 |
| Other manufactures (of metal and other)..... | 6, 578 | 35, 047 |
| Miscellaneous general—ell other..... | 230 | 191, 495 |

The question then is posed whether some of the impact of a shipping interruption be lessened by using air freight. A summary of present freight load and margin of empty load available has been compiled by the Bank of Hawaii and is attached. It would take available space used for a whole month to equal the tonnage capacity of one shipload and this type of air freight could not possibly bring in the bulky, heavier type cargo.

CARGO CARRYING POTENTIAL OF AIRLINES SERVING HAWAII

| Maximum load capacity (existing conditions) | United Air Lines | Pen American Airways | Northwest Airlines |
|---|---------------------|-------------------------|-----------------------|
| I. Scheduled domestic carriers: | | | |
| Freighters: | | | |
| Civilian—Weekly (pounds)..... | 280,000 | 980,000 | ----- |
| MAC (pounds)..... | 70,000 | 49,000 | ----- |
| Passenger (net of luggage, pounds)..... | 1,190,000 | 672,000 | 180,000 |
| Total: | | | |
| Weekly pounds (7 days)..... | 1,540,000 | 1,701,000 | 180,000 |
| Tons..... | 770 | 850 | 90 |
| Tons per week..... | | 1,710 | |
| II. Military, charter, contracted: | | | |
| Tons per day empty (now)..... | | | 75 |
| Tons per day total capacity..... | | | 200 |
| Days..... | | | X7 |
| Total, tons per week..... | | | 1,400 |
| III. Foreign flag—Quantas, Japan, New Zealand, Philippine: | | | |
| Tons per day empty..... | | | 20 |
| Tons per flight capacity..... | | | 75 |
| Days..... | | | X7 |
| Total, tons per week..... | | | 525 |

(In tons per week)

| | Space available | Total capacity |
|--|-----------------|----------------|
| I. Scheduled domestic..... | 50X7 = 350 | 1,710 |
| II. Military, charter, contracted..... | 75X7 = 525 | 1,400 |
| III. Foreign flag..... | 20X7 = 140 | 525 |
| Total..... | 1,015 | 3,635 |

IV

AN ASSESSMENT OF THE PRESENT SITUATION

The situation at present is that most of the businesses in Hawaii has stockpiled and increased inventory contrary to their regular business procedure because of the threatened maritime strike. Information obtained from various industries and companies show that the normal inventory would run about 30 to 45 days. While many have added additional inventory because of the strike threat, many others have not been able to add to inventory because of the West Coast container boycott occurring March 17 to April 7 of this year.

Building and construction supplies have been increased but much heavy, special order equipment is still on the West Coast and could hold up construction completion of various projects. Retailers may have shortages but depending on space availability, air freight could alleviate it. The retailers who have computer inventory systems and normally have a 30-day inventory would be hard pressed to replenish stock on a timely basis.

There will be shortages of feed. Although some feed is shipped in from Australia, certain types of feed such as corn, milo and soybean are not available from Australia. There may be inventory lasting for 30 to 45 days on Oahu but inventory on the neighbor islands may be nil, thereby creating a greater impact on the neighbor islands than on Oahu. Some of the independent feed companies may be severely affected since their normal inventory has not been built up beyond two-weeks supply.

With the sugar plantations harvesting and grinding cane and the pineapple companies at peak harvesting and canning of pineapple, problems of storage become critical. Bulk sugar storage space would be used up within a short period. Supplies of tin plate and corrugated paper for pineapple canning is adequate but since ship space is not available, the canned pineapple would have to be stored

and warehouse space would be used up within a few weeks. This would necessitate temporary storage outside with the contingent problems of whether hazard and pilferage. A stoppage of flow of canned pineapple to the mainland would also affect the industry's summer sales promotion.

Food stores also have varied inventory periods and while certain items may have been stockpiled, fresh produce and meats would not be as plentiful. Food suppliers for restaurants would also feel the impact of a shipping storage. While certain meats and produce could be air freighted, there would be additional costs involved.

The travel industry would feel the impact both in terms of possible cancellations by tourist groups and also in delays of completion of new hotels scheduled for opening this summer. Occupancy rates in Hawaii are generally lower at present and the industry has launched an intensive campaign to boost travel to Hawaii. A shipping strike would add a negative factor to the total effort.

The impact on employment will be immediate. The retail stores will start layoffs as soon as the shipping strike occurs. History has shown that the consumers tighten their purse strings as soon as announcement is made of any interference with normal shipping patterns and this immediately affects purchasing in retail stores. So the stores protect themselves by initiating immediate layoffs of personnel.

Businesses involved in the unloading, loading, and trucking of items from the docks to the warehouses would be immediately affected by a stoppage of work. During the West Coast container boycott earlier this year, the trucking industry had to lay off about 160 employees because there was no work available.

It would seem in general that overall there would be no great impact in terms of shortages, delays, etc. for about 30 days perhaps 45 days. There will be certain items which will become short within a period of two weeks.

While a strike may not occur, there will still be a definite impact to be felt by the people in Hawaii. The need to stockpile and have inventory on hand beyond the normal level and the need to rent warehouse space and the allowance for spoilage and pilferage will be reflected in the prices of these items. The amount of money tied up in inventory at high interest rates further add to the cost of goods.

STATEMENT OF EDMUND J. FLYNN, PRESIDENT, PACIFIC MARITIME ASSOCIATION

Pacific Maritime Association is a non-profit corporation, having a membership comprised of 12 American Flag Steamship Companies, 4 of whom operate under Pacific Maritime Association West Coast Contracts, 44 Foreign Flag Steamship Companies, and 78 Stevedoring and Terminal Companies.

The principal office of the Association is in San Francisco. Area offices are maintained in Wilmington, California, for Los Angeles-Long Beach, in San Francisco, in Portland, Oregon, and in Seattle, Washington.

The present Association was incorporated in 1949, as successor to the Water-front Employers of the Pacific Coast and the Pacific American Shipowners' Association, which had been in business for many years as bargaining representatives of onshore and offshore maritime employers on the Pacific Coast.

The Association exists to negotiate and administer collective bargaining agreements with various maritime unions. Beginning in 1934, following the general strike in San Francisco, the coastwide pattern for bargaining was established by governmental direction. As a result, a single "Master Contract" between the Association and the International Longshoremen's and Warehousemen's Union covers all cargo handling in all Pacific Coast ports from Mexico to the Canadian border. The same International Union has contracts with other maritime employer groups in the States of Hawaii and Alaska. Similarly, "master contracts" exist between the Association and each of the following unions, covering shipboard personnel on practically all American Flag vessels headquartered on the Pacific Coast:

- Masters, Mates and Pilots (licensed deck officers),
- Maritime Engineers' Beneficial Assn. (licensed engineers),
- American Radio Association (radio officers),
- Marine Staff Officers Assn. (purser's),
- Sailors' Union of the Pacific (unlicensed deck),
- Marine Firemen's Union (unlicensed engine),
- Marine Cooks and Stewards (cooks and stewards),

The latter three unions are certified as a single bargaining unit under the name of "Pacific District—Seafarers' International Union," but each component union maintains its autonomy and negotiates separately for "departmental working rules" and wage application.

To indicate the extent of the cargo handling operations covered by the PMU-ILWU agreement, the PMA 1973 annual payroll for longshoremen and maritime clerks was \$146,884,949 for wages and vacations, and \$41,921,550 for fringe benefits. 11,745 registered men were regularly employed, and 70,524,772 tons of dry cargo were loaded or discharged. Liquid cargo, such as petroleum, is not included in these figures.

Pacific Coast based American Flag vessels covered by the agreements with seafaring unions averaged 61 during the year 1973. The annual payroll for all seafarers amounted to \$64,641,588 in wages and vacations, and \$35,777,291 in fringe benefit payments. The average number of seamen employed was 3,437. These totals do not include costs, vessels or employment of seamen for American Flag vessels under Atlantic or Gulf Coast union agreements, nor similar figures for foreign flag vessels calling at Pacific Coast ports.

Dry cargo operations on the Pacific Coast amount to between 20 and 25 percent of the national total.

Against this brief background description of Pacific Coast employer-union relationships and the scope of maritime operations, we intend to discuss the proposals contained in H.R. 7189, which affords strike protection for Hawaii and other U.S. Pacific Islands.

At the outset of this discussion, Pacific Maritime Association would like the record to show that it is very much aware of the hardships visited upon Hawaii and other U.S. Pacific Islands when a West Coast dock or shipping strike cuts off supplies and sources of income needed for the day to day life of those islands. The intent of H.R. 7189 is, of course, to relieve those hardships.

Nevertheless, we cannot support H.R. 7189 for the following three principal reasons:

1. It would weaken the economic bargaining power of the employers,
2. It would create divisiveness among the employers in the multi-employer bargaining group, and
3. It would dilute the weight of public interest pressure that might either prevent a work stoppage or force an early termination of a work stoppage.

1. ECONOMIC BARGAINING POWER OF THE EMPLOYERS

H.R. 7189, in a West Coast dock strike, would require the handling by longshoremen of cargo destined to or coming from Hawaii or other designated United States Pacific islands. This means that part of the striking longshore work force would be provided income during the strike. Stripped of niceties, the proposed bill provides strike benefits to longshoremen. Strike benefits, particularly when they do not come out of the usual source—namely, the union treasury—make a union less apprehensive about calling a strike, and once a strike is called less impelled to terminate it. Thus, whatever balance of economic bargaining power is supposed to exist between employers and unions is tilted in favor of unions.

Some who favor adoption of H.R. 7189 argue that the longshore hours required to handle Hawaiian cargo, for example, is not so great as to create any worrisome imbalance. We do not have a precise breakout of these hours, but conservatively we believe that it would probably be at least 5% of total hours normally worked on the West Coast. Not much? Perhaps not in isolation. But there are also hours required to handle military cargo and some continuing ever-present longshore activities. During the 1971-72 West Coast dock strike, in some weeks in the San Francisco Bay Area alone, the hours for handling military and other activities went above 30% of hours normally worked in nonstrike periods.

Thus with Hawaiian and other island cargo hours thrown in, there would be substantial work opportunity for "striking workers." The industry is thus forced to subsidize the strike against the industry. And the situation would likely worsen. After Hawaii, how do you avoid the same consideration for Alaska? Or for a distressed California citrus industry? Or for a Northwest grain industry? The exceptions would proliferate.

2. DIVISIVENESS AMONG THE EMPLOYERS

Pacific Maritime Association bargains with shoreside and some of the offshore unions in a multi-employer bargaining unit, as required by decisions of the

National Labor Relations Board. It is joint employer bargaining. This means that all employer members of Pacific Maritime Association should have an equal interest and commitment in the collective bargaining process. H.R. 7189 would destroy this equality assumption. A few employers will operate during a strike, others will not. The economic impact on employers in the same collective bargaining unit would therefore be distorted. Divisiveness on bargaining goals and objectives will follow, thereby impairing effective employer bargaining strength.

This divisiveness fear is not imagined. What is happening right here in these hearings underscores that fear. On behalf of most of the Pacific Maritime Association members, I am here opposing H.R. 7189. But, I understand, ready to testify in support of the bill is at least one of our large and important members, namely Matson, which services Hawaii. The divisiveness process is already starting.

3. PUBLIC INTEREST PRESSURE

While the public interest may have only a slight impact on the decision making processes that either lead to or avoid transportation strikes, the public interest does play a major role in shortening the duration of such strikes. A best example is the 1971-1972 West Coast dock strike. The public protest against the strike became so widespread that Joint Senate and House Resolutions to terminate the strikes were introduced. Within a week of the February 4, 1972 Senate and House hearings on those measures, an agreement was concluded between PMA and ILWU.

No other neutral third party, generically termed the "public," was more vocal than Hawaii in calling for intervention to terminate that strike. With Hawaii out of the picture, the proposed legislation probably would have been delayed and the strike further prolonged. If H.R. 7189 becomes law, it will therefore saddle neutrals other than Hawaii with potentially more devastating strike hardships, for the public clamor for relief will be lessened. Thus, while relieving Hawaii and the other islands, H.R. 7189 will very likely impose additional burdens on others.

CONCLUSION

In conclusion, Pacific Maritime Association opposes H.R. 7189 mainly because it would gravely weaken Pacific Maritime Association in its collective bargaining relationships with the various unions representing dockside and offshore maritime employees. While all of us in the maritime industry are anxious to avoid or eliminate strikes, exempting Hawaii and other U.S. Pacific islands is not the answer.

THE QUAKER OATS CO.,
Chicago, Ill., September 9, 1974.

Hon. HARLEY O. STAGGERS,
House of Representatives,
Washington, D.C.

DEAR SIR: I am writing as Chairman of the Transportation Legislation Committee of the Canned Goods Shippers Conference, Inc.

The Canned Goods Shippers Conference is a not-for-profit organization of traffic, transportation and distribution officers of some 51 companies, corporations and associations (listed in the attached roster) engaged in the manufacture and distribution of canned or preserved foodstuffs.

Many of these companies ship food products from the Mainland to Hawaii. Because of that State's unusual dependence on waterborne commerce for delivery of food products, the Conference continues to support H.R. 7189. This legislation would provide for the maintenance of normal shipping for a period of 160 days in the event of strike or lock out. H.R. 7189 applies only between the U.S. West Coast and Hawaii and Pacific Islands under U.S. control.

This conference urges your support of this bill or any other legislation which will accomplish the objective of maintaining the flow of essential food products to Hawaii in the event of transportation related strikes.

Respectfully,

J. R. MANN,
General Traffic Manager,
Chairman, Transportation Legislation Committee,
Canned Goods Shippers Conference.

Attachment.

THE CANNED GOODS SHIPPERS CONFERENCE, INC.—MEMBERSHIP

Acme Markets, Inc.
 American Home Foods
 Armour Food Co.
 Armour Dial, Inc.
 Associated N.Y. State Food Processors,
 Inc.
 Baker-Beech Nut, Inc.
 Borden Foods
 CPC International Inc.
 California Canners & Growers
 Campbell Soup Co.
 Carnation Co.
 Coca Cola U.S.A.
 Del Monte Corp.
 Dole Co.
 Duffy Mott Co., Inc.
 Food Fair Stores, Inc.
 General Foods Corp.
 General Mills, Inc.
 Gerber Products Co.
 Green Giant Co.
 Growers & Shippers League of Florida
 H. J. Heinz Co.
 G. A. Hormel & Co.
 Hunt-Wesson Foods
 Joan of Arc Co.

Jewel Food Stores
 Kraft Foods
 The Kroger Co.
 The Larsen Co.
 Libby, McNeill, & Libby
 Thomas J. Lipton, Inc.
 Michigan Canners & Freezers Assoc.
 Michigan Fruit Canners, Inc.
 National Tea Co.
 NCC Foods Corp.
 Nestle Co., Inc.
 Pet, Inc.
 Pillsbury Co.
 Pomona Products Co.
 The Quaker Oats Co.
 Ralston Purina Co.
 RJR Foods Corp.
 S & W Fine Foods, Inc.
 John Sexton & Co.
 A. E. Staley Manufacturing Co.
 Stokely Van Camp, Inc.
 Derby Foods
 Tri Valley Growers
 William Underwood Co.
 Welch Foods, Inc.
 Wisconsin Canners & Freezers Assoc.

OFFICE OF THE MAYOR,
 Hilo, Hawaii, September 10, 1974.

HON. HARLEY O. STAGGERS,
*Chairman, House Committee on Interstate and Foreign Commerce, House of
 Representatives, Washington, D.C.*

I understand that H.R. 7189—Hawaii and Western Islands Surface Commerce Protection Act—is now pending before the subcommittee on transportation and aeronautics of the House Committee on Interstate and Foreign Commerce. We feel that this legislation is vital to our island-county's well-being. We are dependent on the free flow of surface transportation for our existence.

The legislation currently being considered is so important that the previous Mayor, Shunichi Kimura, made a special trip to Washington, D.C., in June 1973 to testify on its behalf.

As the present Mayor of the County of Hawaii, I strongly urge you to take whatever action you can to promote the quick passage of this legislation. Hawaii needs this protection from the disastrous effects of shipping stoppages.

Thank you very much for any assistance you may be able to give us.

BRUCE McCALL,
 Mayor.

THE NATIONAL INDUSTRIAL TRAFFIC LEAGUE,
 Chicago, Ill., September 12, 1974.

HON. HARLEY O. STAGGERS,
*Chairman, Interstate and Foreign Commerce Committee, House of Represen-
 tatives, Washington, D.C.*

DEAR CHAIRMAN STAGGERS: I understand that pending before your Committee are S. 1566 and H.R. 7189, the Hawaii and U.S. Pacific Island Surface Commerce Act of 1974. These bills are designed to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the West Coast, and to prevent interruption of commerce between those points.

On behalf of The National Industrial Traffic League I would like to present the following comments and observations for your consideration.

The National Industrial Traffic League is a voluntary organization of shippers, shippers' associations, boards of trade, chambers of commerce and other entities concerned with traffic and transportation service for all carrier modes. Our primary concern is to provide for our members a sound, efficient, well-managed transportation system, privately owned and operated. Members of The National Industrial Traffic League are located throughout the United States and consist of enterprises large, medium, and small which use all modes of transportation by land, river, sea, and air. Carriers are ineligible for membership in the League and since the membership has such a broad base the League is generally looked upon as representing the shippers' point of view.

The National Industrial Traffic League throughout its existence has always been dedicated to the development and maintenance of sound conditions in transportation having in mind the needs of the nation, the carriers and the shippers/receivers who are the consumers of transportation. The League has frequently presented its views to Congress on proposed transportation legislation. Over the years the League has also actively participated before the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission and the federal courts in major litigation affecting transportation.

The League's basic functions are performed through a series of committees with clearly defined areas of responsibility. One such committee is the Intercoastal & Coastwise Transportation Committee which has the responsibility of addressing matters involving "Domestic port terminal charges and ocean freight rates, charges and services on traffic shipped between U.S. ocean or Gulf ports; also, ocean traffic between ports of the United States and the insular or territorial possessions of the U.S."

At its 1970 Annual Meeting, the membership adopted a policy which addresses the situation of interruption of commerce due to strikes. The policy entitled "Labor Negotiations, Continuity of Transportation Services" reads as follows:

"In recognition of the indispensable nature of the services performed by intercity transportation companies and for the purpose of protecting the overriding public interest, government historically has distinguished them from other industrial endeavors and imposes broad economic regulations on carriers, including not only pricing regulation, but restrictions on the right to suspend, terminate or abandon services. For the same reasons, government, therefore, should, through appropriate statutes, preclude the interruption of such essential transportation services because of labor negotiations. Labor laws governing transportation agencies and their employees should provide maximum encouragement of voluntary collective bargaining, but should also provide for finality of negotiations and settlement of disputes without any interruption of carrier services."

At the same meeting the membership provided further direction by authorizing its officers to support the actions of the President of the United States and/or the Congress of the United States when they seek measures to terminate transportation tieups after all other existing legal remedies have been exhausted. It was the thought of the League's Intercoastal & Coastwise Transportation Committee that League policy fully supports the thrust of S. 1566.

Hearings on H.R. 7189 began in June, 1973 before the Subcommittee on Transportation and Aeronautics. I would appreciate your making this letter a part of the record of these hearings.

Although time is growing short, I urge you to lend your support to completing these hearings and to favorably act on this important legislation prior to the adjournment of Congress.

Very truly yours,

A. E. LEITHEBER,
President.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, D.C., September 13, 1974.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, Rayburn House
Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Currently pending before your Committee is H.R. 7189, a bill by Rep. Spark Matsunaga and others which would provide relief to thou-

sands of small and independent businesses in Hawaii, Guam and other U.S. Pacific Islands in the event of another West Coast dock strike.

During the last such strike, literally scores of small businesses went out of business as a result, while thousands of others suffered economic losses of up to 30 percent or more—according to NFIB surveys.

May I respectfully urge, despite the lateness of this Session of Congress, that hearings be held on this vital legislation as soon as possible. The very existence of many of our member firms in these affected areas could be at stake.

Sincerely,

E. NEEL EDWARDS,
Government Affairs Representative.

LUDLOW CORP.,
Needham Heights, Mass., September 18, 1974.

JOHN JARMAN,
Chairman, Transportation & Aeronautics Subcommittee of the Interstate & Foreign Commerce Committee, Rayburn House Office Building, Washington, D.C.

CHAIRMAN JARMAN: House Bill H.R. 7189 is presently before you for consideration. This bill would exempt the State of Hawaii for 160 days from West Coast maritime or longshore labor disputes.

Hawaii's lifeline obviously is seagoing ships, but that lifeline was broken for 175 days when there was no shipping service because of maritime or longshore labor disputes during the 17 month period ending in December, 1972, and for a total of 1,788 days in the past 28 years. This interruption and the constant threat of interruption has a significant, adverse impact on the Hawaiian economy, driving firms out of business, causing unemployment and resulting in sharply rising prices to consumers. While shipping to Hawaii is so important to its economy, that shipping accounts for less than 3% of West Coast shipping, so the impact on a strike of requiring shipping to the Islands to continue for 160 days is insignificant.

Ludlow Corporation is actively engaged in doing business in Hawaii and is consequently vitally concerned that the Hawaiian economy not be subjected to unnecessary difficulties. We urge, therefore, that you give H.R. 7189 your full support.

Very truly yours,

T. R. PEARY, *Senior Vice President.*

CITY AND COUNTY OF HONOLULU, HAWAII,
September 19, 1974.

HON. HARLEY O. STAGGERS,
Chairman, Interstate and Foreign Commerce Committee, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN STAGGERS: Please convey to the members of the House of Representatives Committee on Interstate and Foreign Commerce my strong recommendation for an early consideration of and favorable action on H.R. 7189, to exempt Hawaii and the U.S. Pacific Islands for 160 days from the effects of any West Coast longshore or maritime strike or lockout.

Both as Mayor of the City and County of Honolulu and as a 1974 gubernatorial candidate, I would like very much to testify factually and in detail on how surface shipping interruptions seriously endanger the economy of the City of Honolulu and all the State of Hawaii.

I am convinced that if Congress fails to enact this legislation and should another serious shipping stoppage occur, Hawaii's economy will simply collapse.

It is time for the House of Representatives to follow the Senate's lead in giving Hawaii relief from this sword of Damocles that hangs suspended over our heads.

With warm personal regards.

Sincerely,

FRANK F. FASI, *Mayor.*

INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION,
Washington, D.C., September 25, 1974.

HON. JOHN D. DINGELL,
Chairman, House Interstate and Foreign Commerce Committee,
Washington, D.C.

DEAR CONGRESSMAN DINGELL: We were informed Tuesday afternoon that hearings would be held before the House Interstate and Foreign Commerce Committee, Subcommittee on Transportation and Aeronautics. This is the first opportunity that I have had to prepare testimony because, as you know, John Royal, the head of our Fishermen Division, has been here lobbying against S. 1988 and problems relative to previous mammal legislation.

I would like to request either a postponement of the hearings, or that the opponents to H.R. 7189, the Hawaiian Commerce Act, be allowed to appear late next week, if possible.

We consider this legislation very detrimental to the interests of our membership. When S. 1566, an identical Bill, was considered by the Senate Commerce Committee, Mr. Harry Bridges, our International President, testified, as did Mr. Ed Flynn, President of the Pacific Maritime Association, which represents our employers, as well as Mr. William Moody of the AFL-CIO Maritime Trades Department. We would like to give them the opportunity to appear again on the House side, and the time limit here makes this impossible.

The additional problem is that I will be unable to attend the hearings due to a previous commitment on another very important legislative matter.

In addition, while we believe that the House moves in its own wisdom we do believe that this legislation properly belongs before the House Committee on Education and Labor. This has been made an amendment to the Railroad Labor Act which has never had jurisdiction over the labor problems in the maritime industry. We mean this as no reflection on you, Congressman Dingell, and are aware of your excellent record in our behalf relative to the tuna industry and in general to the interests of the labor movement.

I have spoken to your aide, Robert Howard, and have requested that he discuss the postponement with you and the issue may have been resolved by the time you receive this letter. Attached to this letter is a brief statement of our position relative to H.R. 7189, which we would like included in the record, and we believe that the excellent adverse report of the Committee on Labor and Public Welfare, U.S. Senate on S. 1566, Senate Report #93-941, should also be included in the record.

Thank you again and with best personal regards, I remain
 Sincerely,

PATRICK TOBIN,
Washington Representative, ILWU.

Enclosure.

STATEMENT OF PATRICK TOBIN, WASHINGTON REPRESENTATIVE, INTERNATIONAL
 LONGSHOREMEN'S & WAREHOUSEMEN'S UNION

Mr. Chairman, my name is Patrick Tobin and I represent the International Longshoremen's & Warehousemen's Union, which represents, among others, longshoremen in the states of Washington, Oregon, California and Hawaii.

We oppose H.R. 7189, the Hawaiian Commerce Act, basically because it interferes with the right to strike. The Bill would allow employers or unions, parties to a labor dispute, or the chief executive officer of the Island Government of Hawaii and the Trust Territory of the Pacific Islands to petition any U.S. District Court with jurisdiction to issue an injunction or temporary restraining order to enforce a 160-day "cooling off" period. This would be in addition to the 80-day cooling off period invoked under Title II of the Taft-Hartley Act, thus providing an 8-month postponement of any strike action involving commerce between the West Coast and Hawaii.

This extension of government injunctive power has never and will not contribute to harmonious labor relations in our industry. The measure is blatantly discriminatory and will not accomplish its stated purpose. The measure goes beyond the Taft-Hartley Law, which was passed with the intention of shackling the labor movement. There is no attempt in this Bill to require that those seeking the injunction must prove that the health, safety and welfare of the people of the state of Hawaii were impaired. This Bill could require that our longshore mem-

bers work under intolerable conditions for 8 months without the right to strike. When S. 1566, the Senate version of H.R. 7189, was debated on the floor of the Senate, Sen. John Tunney stated "In the American labor movement the right to strike is sacred, and justifiably so. Without it American workers would not enjoy the good wages and working conditions that prevail today. S. 1566, if passed, would seriously jeopardize that right to strike."

I have requested that the adverse report of the Committee on Labor and Public Welfare, United States Senate, on S. 1566, Senate Report #93-941, be included as a part of this hearing record. It establishes that in 1971-72 when we struck against our employers, at no time was the health, safety or welfare of the state of Hawaii in jeopardy, and in that report we refer you to Page 92 (Excerpts from hearings before the Merchant Marine Subcommittee, 92nd Congress, 2nd Session, Jan. 18, 19, 20, 1972 on S. 2836, entitled "Hawaiian Public Interest Protection Act 1971") statement of Dr. Sherrel Mark, Director, Department of Planning and Economic Development, State of Hawaii. He said, "Considering these factors, we see that the Hawaiian economy was able to endure the adverse impact of the strike. Most businesses were able to make the necessary adjustments, carry on operations: For example, use air cargo, find new sources of supply or distribution, shorten the work week, or have employees take their vacations sooner."

"Now, maritime shipping strikes can severely disrupt the economy and inflict hardships on particular sectors of the economy. When of long duration, they can even lead to a complete showdown of the economy, resulting in intolerable rates of unemployment and serious losses in revenues, incomes, and profits. Obviously, everything that can be done to prevent strikes should be tried. Yet, despite their adverse impact, it is important that the principle of collective bargaining be left intact. The operation of a private enterprise economy requires that decisions be made in the marketplace and/or at the bargaining table, and that no side, neither labor nor management, be forced to accept terms that are unfavorable or have a settlement imposed because the power or possibility of a strike is diluted through immediate, direct Federal intervention."

The above-mentioned Senate Labor Committee report states: "In short, the Senate Labor Committee is not persuaded that 'any dispute' in the West Coast maritime or longshore industries 'automatically imperils the health and well being of the people of Hawaii and the United States Pacific Islands,' as stated in S. 1566. Accordingly, it cannot support legislation of this type."

The proponents of this Bill are asking for exceptional privileges. They are requesting that the state of Hawaii be guaranteed by Federal law that they will never be affected by strike action of any kind where commerce to or from the Islands is concerned, certainly for 8 months. This, of course, enhances the position of the two steamship companies, Matson Navigation Company and The United States Lines, which are engaged in commerce to and from the state of Hawaii. This type of regional injunctive powers under Federal control has always been opposed by the entire labor movement. S. 1566 was opposed by the National AFL-CIO, the International Brotherhood of Teamsters, the United Automobile Workers, the AFL-CIO Maritime Committee and the AFL-CIO Maritime Trades Department, in addition to our opposition.

We urge, Chairman Dingell, that this Committee reject this legislation in the interest of free collective bargaining.

MATSON NAVIGATION Co.,
Washington, D.C., September 27, 1974.

HON. JOHN JARMAN,
Chairman, House Subcommittee on Transportation and Aeronautics,
Washington, D.C.

DEAR MR. CHAIRMAN: I submit the following statement on behalf of Matson Navigation Company in support of H.R. 7189 and request that the statement be made a part of the hearing record.

Matson is a common carrier of property by water and has operated as such in the U.S. Pacific Coast-Hawaii trade for 92 years: in April of this year Matson extended its common carrier container operations to include the U.S. Pacific Coast-Guam trade. In both instances it operates a dedicated service in the sense that its vessels and operations are concerned solely with providing the ocean transportation needs of Hawaii and Guam without involvement in other trades. Its total operation involves a full range of container services for general com-

modities as well as other specialized services for the carriage of automobiles and raw sugar, fuel oil and molasses in bulk.

Matson's present fleet consists of 15 vessels including two high capacity, high speed container vessels originally placed into service in 1970 plus two equally modern trailer vessels commonly referred to as roll-on roll-off vessels which were added to our fleet in 1973. The current book value of Matson's investment, including capitalized lease values, approximates \$186,500,000.

In addition to Matson, the State of Hawaii is served from U.S. Pacific Coast ports by U.S. Lines, three common carrier barge operators, and two proprietary barge operators. In the Guam trade, service is provided by Matson, U.S. Lines and until recently Pacific Far East Lines.

Matson is a member of the Pacific Maritime Association, a West Coast employer group, which negotiates, on behalf of its membership, collective bargaining agreements with longshore and offshore maritime unions. The organization and structure of the PMA, including its voting procedures, is set out in an agreement which is filed with the Federal Maritime Commission for their approval pursuant to Section 15 of the Shipping Act, 1916. With enactment of this legislation the PMA's participation in the collective bargaining process would continue to be governed by the existing approved agreement.

The PMA has previously testified in opposition to this legislation. Matson's appearance in support of this legislation is reflective of the fact that we have a different constituency than the other members of the PMA, all of whom are entirely or primarily engaged in the foreign commerce. As previously indicated Matson's operations are concerned solely with providing service to and from the major domestic offshore communities or areas embraced by the bill. Matson's constituency—its rate paying consignees—expect Matson to support this legislation which they as residents of those communities view as a means of being freed of their role as hostages to collective bargaining decisions made by non-residents on the Pacific Coast.

Those opposing this legislation, both management and labor, claim that its enactment and operation would weaken the economic bargaining power of each or conversely strengthen the other party's position and thus adversely affect the collective bargaining process. If that process is to be substantially affected by this legislation, either labor or management must realize from it some advantage or disadvantage that will be substantially detrimental or helpful to the interests of the other; it is clear that this will not be the result of the legislation.

All collective bargaining agreements negotiated by the PMA must be ratified by its membership. Of the 130 members of the Association who are qualified to vote on questions involving shoreside or longshore labor, only Matson is solely involved in providing service between the U.S. Pacific Coast and the U.S. Pacific islands specified in the bill. The votes available for casting on such questions total 599, of which only 50 are held by Matson; on questions involving the offshore unions, that is, shipboard personnel who are involved in the operation of the vessels, the votes available to be cast in respect to such questions total 31 of which only 3 can be cast by Matson. Under the provisions of the bill, the governor of Hawaii for example is given permissive authority to seek an injunction for the purpose of bringing about a resumption of ocean carrier service between the State and the ports of the U.S. Pacific Coast. Because of the permissive nature of such authority the bill does not guarantee that there will be no interruption in such service as a result of a Pacific Coast longshore or offshore union strike; but if and when the governor elects to obtain such an injunction, Matson and competing carriers would then resume operations while the balance of operations at Pacific Coast ports would continue to be strike-bound. In view of its minority voting position within PMA, it is clear that Matson would not be able to translate the financial benefits of such resumed operations into a determinative control over the timing or substance of the collective bargaining process or the ultimate resolution of the dispute.

If the governor acts and Matson resumes operations, what then would be Matson's negotiating stance within PMA during such period of resumed operations? Under Section 2(b)(2) of the bill, Matson will be obligated to pay retroactively the additional wages represented by the difference between the wage provided for employees under the agreement resolving the labor dispute and the wage such employee actually received during the period of resumed operations

under the injunction obtained by the governor. If this legislation had been law prior to July 1, 1971, Matson would have accrued a total retroactive payment of approximately \$939,000 for the 1971-1972 longshore strike. At today's wage rates, this accrual would aggregate approximately \$1,200,000. This accrual would represent an out of pocket cost to Matson not recoverable from its customers since under regulatory law it cannot file rate increases for the purpose of recovering past experienced costs.

Unlike the other members of PMA, all of Matson's commercial rates are subject to economic regulation under the Shipping Acts by the Federal Maritime Commission; such regulation does not apply to those rates applicable to services provided in the foreign commerce. This means then that Matson, if it wishes to recover from its customers those increases in labor costs resulting from any agreement resolving a dispute, must file increased freight rates with the Commission and run the risk that the effective date of such increased rates may be suspended for a period of four months. Allowing time for preparation of the new rate schedules and the statutory requirement that such schedules be filed on 30 days notice means that if the effective date of the increase is suspended for the full statutory period that Matson would be immediately denied the additional revenue represented by the rate increase for a period of six months. Those PMA members engaged in the foreign commerce merely file increased rates on thirty days notice with the scheduled effectiveness of the increases assured.

Further, in negotiations with the offshore unions four of the five PMA vessel operating members involved in such negotiations receive operating differential subsidy pursuant to the Merchant Marine Act, 1936, in respect to their operations in the foreign commerce of the United States. As a consequence, some portion of any increase in wages and related benefits agreed to in resolving a dispute with the offshore unions would be passed to the government through the subsidy program. As an operator in the domestic offshore trades, Matson receives no subsidy of any kind. Therefore, Matson has every compelling incentive to vigorously participate in the negotiations in a normal and usual manner. It is clear that because of these incentives and because of its minority position within PMA that a resumption of operations by Matson while other operations remain strike-bound will not add anything to the economic power of the management side of a dispute nor contribute to any divisiveness among the employer group which if existent would possibly contribute to a prolongation of the dispute.

In connection with any allegation that this legislation will promote divisiveness among the employer group it should be pointed out that a longshore or offshore maritime strike on the Pacific Coast impacts more immediately on Matson's Hawaii service than it does on the vessel operations of those members of PMA who are engaged in the foreign commerce. For example, if a strike commenced on August 1, all of Matson's vessels would be strike-bound at Pacific Coast ports by August 10 and the majority of them by as early as August 6. On the other hand all of those vessels operated by other U.S. flag carrier members of PMA would not be strikebound until September 20—51 days after the strike commenced.

All vessels would become strikebound as they arrive inbound at a Pacific Coast port; the difference in time before Matson's vessels and other U.S. flag vessels would become idled at such ports is due to the greater distances traveled by those other carriers in the foreign commerce. For example one such carrier operating vessels between the Far East and California would require 45 days to complete a round trip voyage between those two areas. Some Matson vessels, however, can complete a voyage between California and Hawaii in as few as 10 days. As a consequence those Matson vessels that have commenced a voyage before the strike begins will be strikebound at their return Pacific Coast port in a relatively short time.

In the event of a 60 day strike, Matson's vessels would be idled for an average of 56.9 days while the total fleet of other U.S. flag carrier members would be idled for only an average of 15.6 days and as a consequence the economic impact of a strike on Matson is significantly greater. In the case of an offshore maritime strike it means that those union personnel manning Matson vessels are "on the beach" without income at a much earlier time than those union members serving on other U.S. flag vessels.

During any period of operations resumed pursuant to injunctions issued in accordance with the legislation, management claims that the work opportunity

afforded union employees during such period will constitute strike benefits for such employees. Since military cargo is exempted from strike action, PMA says that the combined work opportunity represented by the two exemptions will significantly increase the union's ability to withstand a strike and thus reduce management's economic power in the dispute.

With the conclusion of U.S. involvement in the Viet Nam conflict the average monthly volume of strike exempted military cargo, other than liquid bulk, moving through U.S. Pacific Coast ports has been dramatically reduced—from 517,000 revenue tons in 1971 to 308,000 revenue tons in 1973 or by over 40%. The estimated average monthly volume of commercial cargo, other than liquid bulk, moving in 1973 between U.S. Pacific Coast ports and Hawaii, Guam and the other Pacific islands specified in the bill is 301,000 revenue tons. Therefore, a 30 day resumption of operations in 1973 under injunctions contemplated by the bill when combined with the customary exemption of military cargo would have resulted in a total strike exemption for 609,000 revenue tons of cargo as compared with the exemption for military cargo alone of 517,000 tons during the 1971 longshore strike.

It should be noted that military cargo moves predominantly from San Francisco Bay ports and as a consequence the total work opportunity made possible in part by this bill will be centered at such ports. According to the ILWU's house paper, *The Dispatcher*, between February 17-19, 1972, nine thousand five hundred and sixty-four ILWU members participated in the ratification vote on the agreement settling the 1971-1972 longshore strike. It is interesting to note that of the votes cast by the San Francisco locals 74% were in favor of the agreement while only 70% of the votes cast by all other West Coast locals were favorable to the agreement. If the work opportunity represented by strike exempted cargo is to be considered as a strike benefit, then one would have expected a much lower percentage of favorable votes by the San Francisco locals.

With minor exceptions cargo moving between the U.S. Pacific Coast and the Islands specified in the bill is handled through the ports of San Francisco Bay (Oakland and San Francisco city) and Los Angeles Harbor (Los Angeles city and Long Beach), California; Portland, Oregon; and Seattle, Washington, but primarily through the two indicated California ports. For example, in calendar year 1973 only 1.8% and 3.6% of the total non-bulk cargo handled at the ports of Portland and Seattle involved cargo moving to and from the islands covered by the bill. Even for the two California ports the percentage of cargo to be exempted by this bill and as military cargo is modest. In 1973 the ports of Los Angeles Harbor and San Francisco Bay handled 14,156,000 tons and 9,347,000 tons of non-bulk cargo respectively of which only 13.7% and 6.4% was cargo moving to and from the communities specified in the legislation.

As a practical matter, enactment of this legislation and such use as may be made by the chief executives of the island communities of their permissive authority to seek an injunction will neither abridge or weaken the union's right to strike nor weaken its strength within the collective bargaining process, i.e.:

1. In respect to the longshore union only 3 to 4% of the total man-hours expended on cargo moving through U.S. Pacific Coast ports will be strike exempted, which is not significantly greater than the volume previously exempted as military cargo.

2. Those members of management who would resume operations under the strike exemption contemplated by the bill would not, because of their minority position within the management group, be able to add anything to the bargaining strength of the management side of any dispute.

3. Because of the economic incentives previously referred to—retroactive wage payments, and the potential impact of economic regulation by the FMC—those members of management resuming operations would still be fully subject to the economic pressures being applied by the union.

Mr. Chairman, it is our belief that the operation of this legislation if enacted will not change the economic bargaining power of either side to a collective bargaining dispute. To the extent that the Governor of Hawaii or the Governor of Guam elect to exercise their authority to seek an exemption for their communities of any Pacific Coast longshore or offshore maritime strike, we are prepared to provide within our capability the necessary service while at the same time continuing to participate in the collective bargaining process in the same manner and to the same degree as we would in the absence of such enacted

legislation. It is our sincere belief that this legislation results in a reasonable balancing of equities among all the parties to the dispute—the public, the unions and management.

Yours truly,

JOHN R. KUYKENDALL,
Vice President.

AFL-CIO MARITIME COMMITTEE,
Washington, D.C., October 1, 1974.

Hon. JOHN JARMAN,
Chairman, Subcommittee on Transportation & Aeronautics, House Interstate & Foreign Commerce Committee, Washington, D.C.

DEAR CONGRESSMAN JARMAN: It is our understanding that you have before you H. R. 7189, a bill that would interfere with the free choice of maritime workers to exercise their right to strike, if necessary, to improve their wages and working conditions. To us this legislation is discriminatory.

The National Maritime Council exemplifies a growing trend in the maritime industry, wherein labor, management and government have learned to cooperate in the furtherance of the American Merchant Marine. It is well recognized by all parties that the shipping public has limited cargo to the United States Merchant Marine by reason of past action. We are now determined to usher in a new era of labor-management cooperation to assure shippers of labor stability. Nonetheless, there are times when free men must exercise their right to strike to achieve vital goals.

Such legislation at this time could dampen the spirit of cooperation that has been demonstrated in the no-strike pledges of the deep-sea unions. We respectfully request that you not report out this legislation.

The above represents the views of our members as follows:

Shannon Wall, President, National Maritime Union of America, AFL-CIO.

Thomas Gleason, President, International Longshoremen's Association, AFL-CIO.

William Steinberg, President, American Radio Association, AFL-CIO.

Stephen Nolasowski, Sub-District Director, District 4, United Steelworkers of America, AFL-CIO.

Captain Thomas O'Callaghan, President, International Organization of Masters, Mates and Pilots, AFL-CIO.

Respectfully,

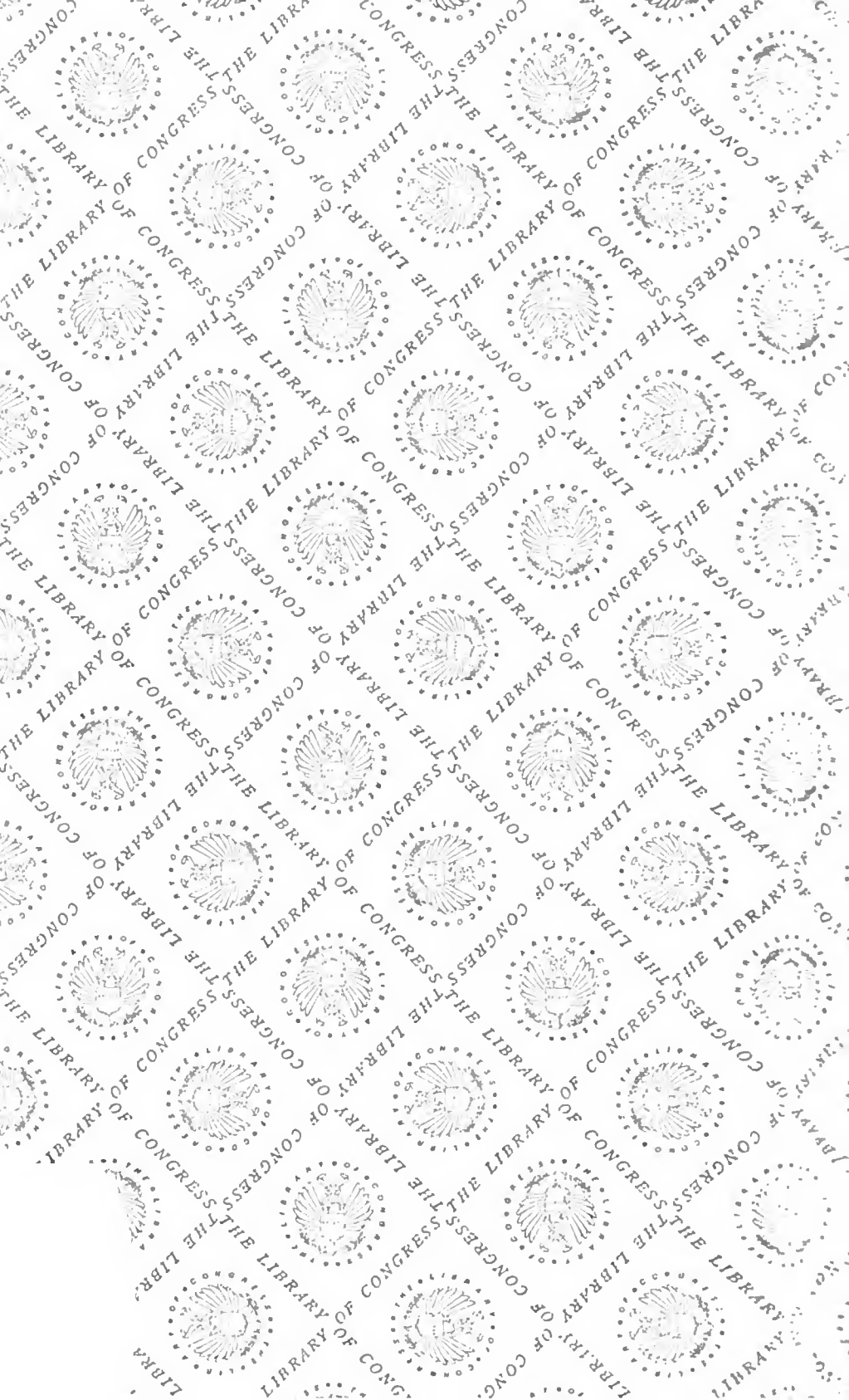
TALMADGE E. SIMPKINS, *Executive Director.*

[Whereupon, at 12 noon the subcommittee adjourned.]



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